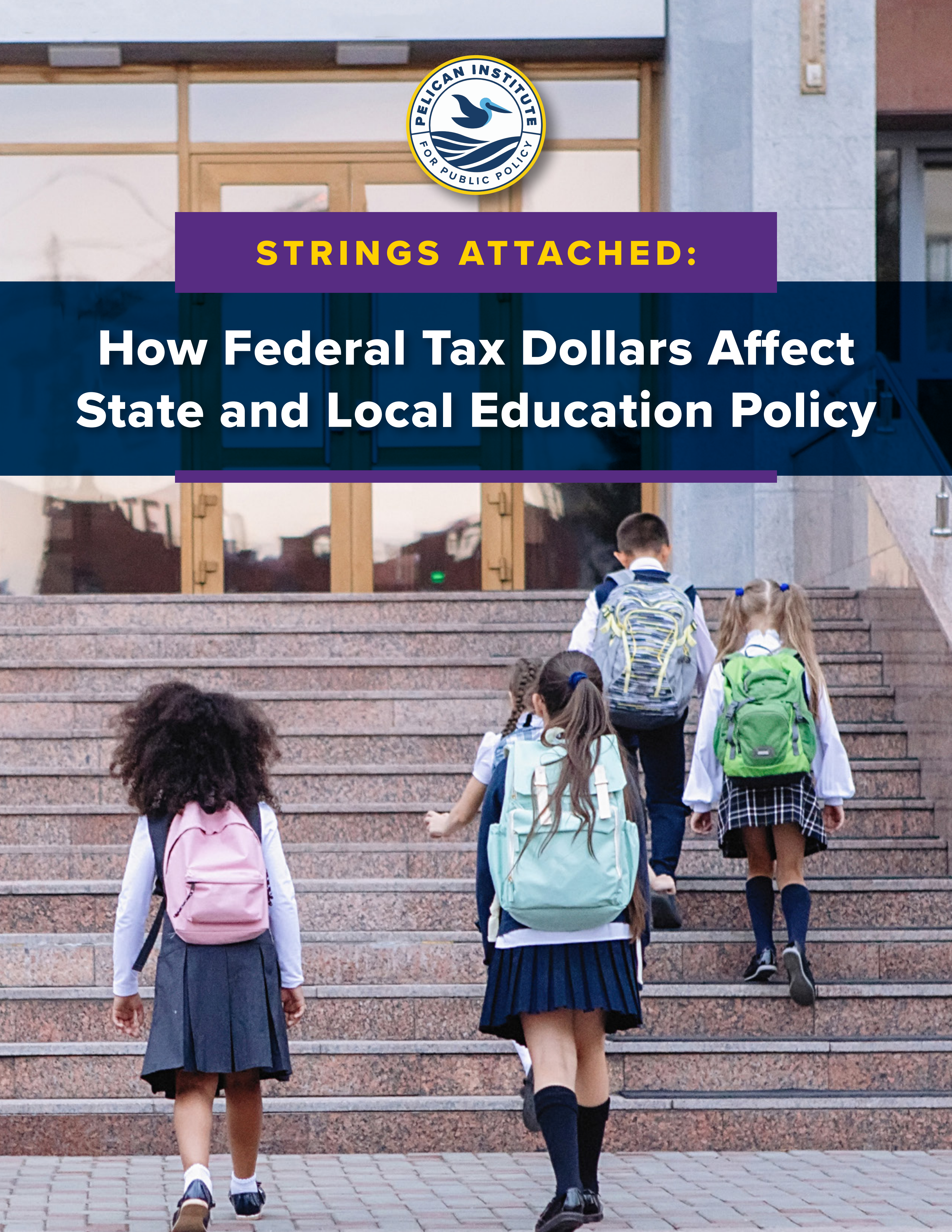
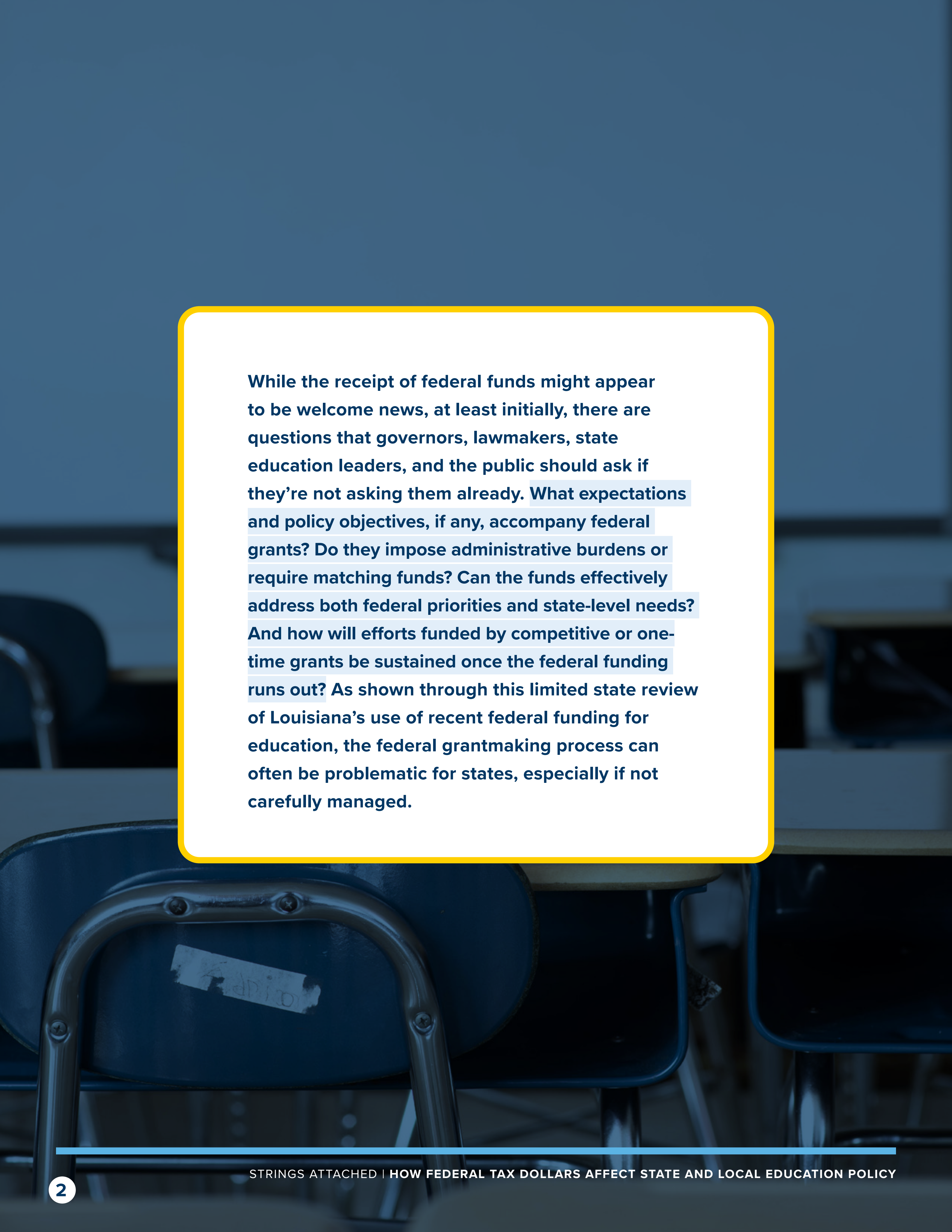


PELICAN INSTITUTE FOR PUBLIC POLICY

STRINGS ATTACHED:

How Federal Tax Dollars Affect State and Local Education Policy



While the receipt of federal funds might appear to be welcome news, at least initially, there are questions that governors, lawmakers, state education leaders, and the public should ask if they're not asking them already. What expectations and policy objectives, if any, accompany federal grants? Do they impose administrative burdens or require matching funds? Can the funds effectively address both federal priorities and state-level needs? And how will efforts funded by competitive or one-time grants be sustained once the federal funding runs out? As shown through this limited state review of Louisiana's use of recent federal funding for education, the federal grantmaking process can often be problematic for states, especially if not carefully managed.

Federal grantmaking and the role of the federal government in education, more broadly, have recently come under even greater scrutiny by the Trump Administration and the work of the President's newly announced U.S. Department of Government Efficiency (DOGE), which is analyzing a host of federal programs, looking for ways to address federal overreach and identifying opportunities to reduce spending. This could spell relief for states in many ways, but it could also mean that funding streams on which states have come to rely could soon disappear. Understanding the purpose and of federal grants, leveraging them in the right way, and guarding against risks can make federal funding more of a blessing than a curse, and both federal and state policymakers have a role to play.

In the United States, education has traditionally been a state and local responsibility. States set compulsory education requirements, legislate public education governance, determine student learning expectations, and fund public education, most commonly through a state-local formula. States generally determine what must be taught (and for how long), while local school systems decide how and when. They determine where schools are needed, hire teachers and other personnel (per state requirements), select curricula, and handle the day-to-day business of ensuring that individual students learn what states have prioritized.

The federal role, and federal funding, has focused on supplemental needs, such as providing extra resources for the education of students with special needs and emergency relief. The U.S. Department of Education has characterized its role as "a kind of 'emergency response system,' a means of filling gaps in State and local support for education when critical national needs arise."[1] According to the agency's website:

> **...its origins goes back to 1867, when President Andrew Johnson signed legislation creating the first Department of Education. Its main purpose was to collect information and statistics about the nation's schools. However, due to concern that the Department would exercise too much control over local schools, the new Department was demoted to an Office of Education in 1868.[2]**

In the 1960s, it started providing funding to school districts with an inadequate tax base as part of the "war on poverty," but in the time since, the agency's role and funding allocations to states have increased substantially in response to international competition and a growing equal access mission. In fact, the National Center for Education Statistics (NCES) reports that in school year 2019–2020, before the large pandemic-related infusions of additional federal funding, elementary and secondary public schools received $66 billion from federal sources, which amounted to about 8% of total revenues. In response to the pandemic, states received federal grants totaling $189.5 billion in addition to regularly allocated annual funding. The end of this funding has revealed a "new normal" level of federal funding for education in America.

Louisiana typically qualifies for and receives more per-student federal education funding than many other states due to its high percentage of students living in poverty or experiencing other challenges. The state has also been successful in receiving competitive grant funding to address priorities including early childhood care and education, literacy, and the effects of trauma. And like other states, Louisiana received large sums of money through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the American Rescue Plan Act (ARPA). NCES reported that federal funding for public schools nationally increased by about 32% from FY 21 to FY 22, primarily due to COVID-19 federal assistance funds, as state and local funding declined due, in part, to declining student enrollment. Louisiana was among the states with the largest increases in per pupil expenditures during that period.[3] While state and local education leaders point to good uses of the money, it's important to reflect on the processes involved, strings attached, new expectations created, and lingering implications now that pandemic era funds have come to an end and a new era is beginning.

Federal Education Funding to Louisiana

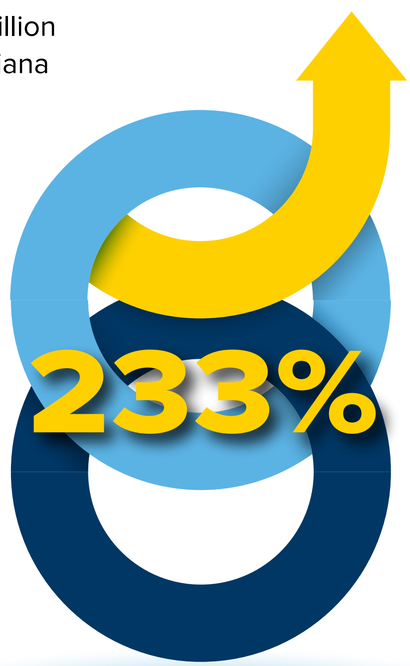
Federal education funds typically account for approximately 13% of total school system annual funding in Louisiana.[4] Most federal funds are awarded directly by the federal government to state education agencies. Those agencies then allocate most of those funds (typically 90%) directly to school systems. There are also instances where school systems may receive grants directly from the federal government. Federal grant funds generally fall into three categories—formula, competitive, and discretionary:

- Formula grants:[5] These are automatically provided to school systems and schools whose data qualify them for participation. The allocation formula is set through federal regulations.
- Competitive: Local school systems must qualify and submit an application for funds. Applications are evaluated and selected for funding based on published criteria.
- Discretionary or other: Funds awarded to school systems through an alternative methodology, including as a result of a disaster or pandemic.

Last year, lawmakers authorized over $2.7 billion in federal funding, which is 37% of the Louisiana Department of Education's (LDOE) budget authority. In the year prior, it authorized over $3.6 billion[6] in federal funds, which accounted for approximately 44% of the agency's budget.[7] **Federal funding of education efforts in Louisiana has increased substantially in the past ten years; a 233% increase if looking at FY15–24** (the last year to spend COVID recovery money) and a 148% increase if looking at FY16–25.[8] The majority of federal funds have been provided through the following programs, which come with dozens of requirements for receiving states.

- Title I:[9] Federal Title I, Part A funds are intended to improve the teaching and learning of children from low-income families. Louisiana receives approximately $400 million[10] to support public schools with high proportions of children from low-income households.
- Title II:[11] Federal Title II–Improving Teacher Quality funds are meant to enhance student achievement by improving teacher and principal quality and supporting professional development for teachers who teach core academic subjects. Louisiana receives approximately $45 million each fiscal year.[12]
- IDEA: The federal Individuals with Disabilities Education Act is intended to ensure that children with significant cognitive disabilities are provided special education services. Louisiana receives approximately $14.6 billion annually in IDEA funds.[13]
- 21st CCLC: The 21st Century Community Learning Centers program provides money for community learning centers, primarily in underserved areas. Funding is determined by Title I allocations and Louisiana receives approximately $26 million each year.[14] The centers offer educational and enrichment programs for students and families after school and during the summer.

FEDERAL FUNDING OF EDUCATION EFFORTS IN LOUISIANA HAS INCREASED 233% IN THE PAST TEN YEARS



Many of these program's requirements and states' responses to them can be viewed by accessing states' Consolidated State Plans.[15] Louisiana's most recent consolidated state plan spans 126 pages and addresses 44 individual requirements just for Title I-VII programs. It includes lengthy descriptions of how the state's plan for measuring and reporting student achievement and school performance, including how it will intervene in low-performing schools, adheres to federal law and U.S. Department of Education regulations. Each time the state makes a substantive change to that plan, even if it is the result of a new law passed by the state legislature, LDOE must submit the change and seek federal approval.

For IDEA, states are required to have in place a State Performance Plan (SPP), which describes and evaluates the state's efforts to implement the federal program requirements. The plan provides baseline data, targets and improvement activities, timelines, and resources established by the state for 17 different indicators. States are required to submit an SPP at least every six years.[16] Each year, states must report against the targets in its SPP in an annual performance report. Louisiana's latest annual report was 109 pages.[17]

In addition to formula grants, the LDOE occasionally applies for and is awarded competitive federal grants to support priority initiatives like early literacy, school safety, student mental health, teacher development, and charter schools. The state may also receive funding following federally declared emergencies such as hurricanes, flooding, and certain health-related emergencies. All of the tasks associated with applying for, allocating (to local school systems), complying with, and reporting on federal grants requires substantial human resources.

According to the LDOE,[18] when new grants are awarded to state education agencies by the federal government, the award includes additional funds for local school systems. Additionally, a small amount of administrative funding is provided, but this may not be sufficient to compensate for the additional required administrative tasks. The most burdensome tasks include **extensive data collection and reporting requirements.** State education agencies all have grant management and accounting systems in place since federal education formula grants have been awarded for so many years. New grants can be integrated into these systems with some adjustments to meet basic administrative requirements. However, the capabilities of these systems vary across states.

When time must be spent on new data collection and reporting tasks with firm and often short deadlines, the burden on the agency may be massive depending on the technology capabilities and available staff support. It is not always easily achievable to implement such requirements even with the amount of administrative funding provided, and private resources may not be available or affordable to supplement agency staff. As a result, new tasks may require a redirection of numerous high-level and mission critical staff to the new project and away from the primary focus of the agency.

In 2020 and 2021, the federal government allocated funds to states to address emergency and recovery needs associated with the COVID-19 pandemic. For early childhood, it awarded over $1 billion in extra funding through the CARES Act, ARPA, and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) Act. Funds were provided to "stabilize" the child care industry, including subsidies for rent, staff compensation, recruiting and retaining staff, and cleaning supplies.

Originally created under the CARES Act to assist schools with creating healthy learning environments, return students to classrooms, and address local needs, the Elementary and Secondary School Emergency Relief (ESSER) fund was strengthened twice with additional funds in the CRRSA Act, known as ESSER II, as well as ARPA, known as ESSER III. Louisiana received just over $4 billion[19, 20] in pandemic relief funds to help schools reopen and recover from disruptions caused by COVID-19. Ninety percent of those funds were awarded to local school systems, and the state used the remaining 10% to fund program administration (capped at 0.5%) and state priorities (9.5%, most of which was allocated to local school systems). Funds were extremely flexible in that they could be used for any "activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency."[21, 22]

Elementary and Secondary School Emergency Relief Fund (ESSER) to Louisiana[23]

Grant Fund	ESSER I	ESSER II	ESSER III
Total ESSER Allocation	$13.2 billion	$54.3 billion	$122 billion
LDOE Total Award Amount	$286,980,175	$1,160,119,378	$2,605,462,325
Minimum LEA Allocation	$258,282,158	$1,044,107,100	$2,344,916,922
Available for Obligation	**9/30/2022**	**9/30/2023**	**9/30/2024**

As of December 1, 2024, over $536 million remained unclaimed in Louisiana's allocation. But by the end of January 2025 when the grants closed, 99.6% of funds were expended per the LDOE. Only funds that were obligated or committed to specific expenses by September 30, 2024, were allowed to be spent, and school systems have until December 16, 2025, to claim those funds unless they applied for and were granted an extension.[24]

While longstanding federal education formula grants empower states to oversee how local school systems use evidence-based practices to achieve learning gains and address priorities, COVID-related funds came with substantial flexibility to minimize delays and red tape for local school systems to access funding, but involved massive data collection and reporting for state education agencies.[25] State administering agencies also had little ability to direct the funds allocated directly to school systems or hold local leaders accountable for spending in accordance with children's biggest needs—particularly to prevent and reverse learning loss associated with shutdowns. State education agencies were not able to direct local school leaders to prioritize uses of the funds for things like tutoring, after-school programming, extended learning time, and other individual student supports. School systems were, however, required to spend a meager 20%, at a minimum, of ESSER III funds on evidence-based interventions such as summer learning/ enrichment and extended school days and/or school year. A deeper discussion of this challenge follows later in this report.

Seeking, Receiving, and Managing Federal Aid

Before each fiscal year, the Louisiana Legislature meets during a regular legislative session to formulate the state's next operating budget. The state budget attempts to account for federal funding, but it is impossible to know how much the state will receive. The federal fiscal year is different from the state fiscal year, and funding levels depend on what Congress approves, how many children meet the funding formula, and whether competitive grant applications are successful. The state budget contains appropriations that give state agencies the authority to obligate and expend federal funds up to an authorized amount, which should be a close estimate based on anticipated needs, priorities, and experience, including the number of grants applied for and received.

When state or local governments apply for competitive federal grants, matching funds are often required. This means that the grantee will need to provide a portion of the funding for the program. A common match rate for federal grants is 75/25, where the federal government will provide 75% of the total funding for a project or program, and the state or local government will provide the remaining 25%. Programs that involve matching funds create additional decision points for the recipient because the money used for the match will likely have to come from another budget line-item.

Additionally, federal grants may subject recipients to "supplement not supplant" clauses that require that funds made available for a specific purpose "shall be used to supplement and not supplant other federal, state, and local public funds expended," or maintenance of effort (MOE) clauses, which require state support in upcoming fiscal years to at least maintain the level of average state support in past years. These stipulations have long been implemented to ensure that states make a financial contribution to the issues for which they are accepting federal funds.

The LDOE enjoys wide discretion in applying for and accepting federal grants. As Louisiana's official state education agency (SEA), the Department can decide which funding opportunities to pursue. While the agency often engages in consultation with a variety of stakeholders, there is no established public process for consulting with or receiving approval from its board (the State Board of Elementary and Secondary Education or BESE), the Governor, or the Louisiana Legislature when deciding to apply for or accept a grant. However, when a match is required, it must be considered through the state's budget request process. Beyond that, any grant conditions or requirements—and there are many, which LDOE has attempted to consolidate and simplify[26] for local school system leaders and grant administrators through its SuperApp grants management system—are addressed internally within the Department.

This autonomy affords the Department the ability to act quickly and without bureaucracy and delays—which is important—but it can also leave key policy and decision makers in the dark and on the hook for any associated financial, statutory, or regulatory obligations. Unfortunately, a look at historical budget versus actual revenues and expenditures reveals that some state agencies budget funds poorly. There is often more federal budget authority (permission to spend funds to that specified amount) than the agency would spend in a given year. Therefore, when a new federal grant is received within a fiscal year, an agency can accept the award without petitioning the Legislature for permission to participate in the program. This limits the visibility of federal grants, mischaracterizes how much is likely to be spent year to year, and can even lead to claims of a budget cut in cases where a phased out grant is spent early.

With regard to the state's budget, if an agency receives a competitive federal grant but already has sufficient federal budget authority for the amount of spending it plans for the next fiscal

Federal judge stops Biden admin's effort to distort Title IX with gender ideology

year, it may hold off reporting the grant to the Legislature until it needs additional budget authority. This means BESE, the Legislature, and the Governor could have an incomplete picture of grants that the agency has sought, received, and accepted.

Competitive grants aren't the only types of federal funding programs that come with implications for states. Sometimes federal agencies issue new regulations or guidance tied to recurring formula grants. Last year, the U.S. Department of Education published[27] final changes to the federal Title IX rule that threatened loss of funding if states did not comply with anti-discrimination requirements that included transgender students' accessibility to locker rooms and bathrooms. Following a legal challenge by several states, the rules were blocked[28] by a U.S. district court judge on January 9, 2025. Judge Danny C. Reeves, who struck down the regulation, wrote,

> **"Put simply, the First Amendment does not permit the government to chill speech or compel affirmance of a belief with which the speaker disagrees in this manner."**

In essence, he told the federal department that it could not legislate policy, particularly policy that violates the First Amendment of the United States Constitution, through the federal grantmaking process.

Another example involving grants offered directly to local school systems is the Environmental Protection Agency's Clean Heavy-Duty Vehicles Grant program, created as part of President Biden's Inflation Reduction Act to replace diesel powered school buses with electric ones.[29] School buses are typically funded using state and local dollars, but this federal funding opportunity aims to engage school systems in a national environmental policy agenda, even though school leaders admit the buses would have to be assigned to shorter routes and they would have to foot the bill, indefinitely, for associated infrastructure improvements.

This leads to the important question of **sustainability.** Temporary funding should be used on one-time expenses or as seed funding when another long-term funding source has been identified. But federal agencies routinely solicit funding proposals from state agencies and departments with quick deadlines. Sometimes they require evidence of consultation with the governor and state legislature (who create and approve budgets), sometimes not. As a result, key state budget decision makers may or may not agree on what to do when federal funding ends. Even if the administering state agency communicates that federal grants offer one-time funding with no guarantees of continuation funding by the state, politicians and advocates may seize the opportunity to lay the groundwork for the state to sustain funded activities.

The COVID-19 Pandemic Federal Funding Surge

As mentioned earlier, the COVID-19 pandemic opened a floodgate for federal funding into states, lit centers, and school systems. Louisiana alone accepted over $5 billion. Reflecting on federal requirements associated with these funds, as well as how they were used, can offer insights into how such programs can be more effectively structured at the federal level and managed at the state level.

EARLY CHILDHOOD CARE AND EDUCATION

Since 2017, federal funding for early childhood has more than doubled in large part due to the expansion of the government's scope of work to support child care providers in addition to the historical purpose of supporting low-income households with young children.

The Child Care Assistance Program (CCAP) is a longstanding program designed to assist low-income parents with young children to move from poverty to self-sufficiency. Years ago, the federal government recognized the need for these parents to have access to affordable, safe care for their children and provided temporary support in the form of a child care subsidy or voucher, as long as parents are working or enrolled in post-secondary education or workforce training. While many child advocates have lobbied for more funding at the federal and state level for this program, child care providers have also come to rely on public funding.

The federal funds are allocated to states based on the approval of a comprehensive state plan in which the applying state describes not only its vision and planned activities to achieve goals, but how it will comply with a litany of federal requirements. For this program, those requirements included everything from higher health and safety standards, group size requirements, increased state monitoring requirements, what information to include on state websites, how to end benefits for families found to no longer be eligible, access for homeless families, professional development for child care staff, and more.

In 2017, based in part on the federal government's approval of Louisiana's state plan,[30] the state received just under $90 million through the Child Care Development Fund (CCDF), which funds CCAP. In 2018, Louisiana was granted a one-time allotment of $39 million through the CCDF to expand the number of available seats at child care centers and to improve the quality of care. Approximately $28 million of that funding was used to move 4,500 children off the state's waiting list for CCAP subsidies and into child care centers, although the state had no plans to sustain the program once federal funding ran out.[31]

In the press release announcing the grant award, the president of the Child Care Association of Louisiana (CCAL) stated: "We encourage our state policymakers to prioritize state funding of CCAP so that these families can continue to receive quality child care assistance while they work toward self-sustainability….CCAL will continue to collaborate with LDOE and other advocates to find ways to fund access to quality early childhood care and education programs."[32] Clearly, participation in the grant was well-intentioned, but it also put added pressure on state lawmakers to increase state funding while failing to address other unmet needs.

In January 2019, five months after accepting the additional federal money, the Early Childhood Care and Education Commission unanimously proposed an $86 million investment from the state to solve a "gap in access". The recommended investment would increase the percentage of eligible children served from 13% to 66% (an additional 114,000 children).[33] Such an expansion of state-level funding would replace expiring federal funds to not only sustain but grow the program. Although the $86 million was not granted, the state did allocate $20 million to CCAP, mitigating the loss of federal funds at the time.[34]

In December of 2019, the LDOE secured a grant for $11 million per year for three years to create 600 more seats for children from low-income households, improve the quality of education in child care centers, and fund community-based guides to assist families with child care needs. Then the COVID-19 pandemic hit, and Louisiana received more federal grants through three stimulus bills between March 2020 and March 2021.

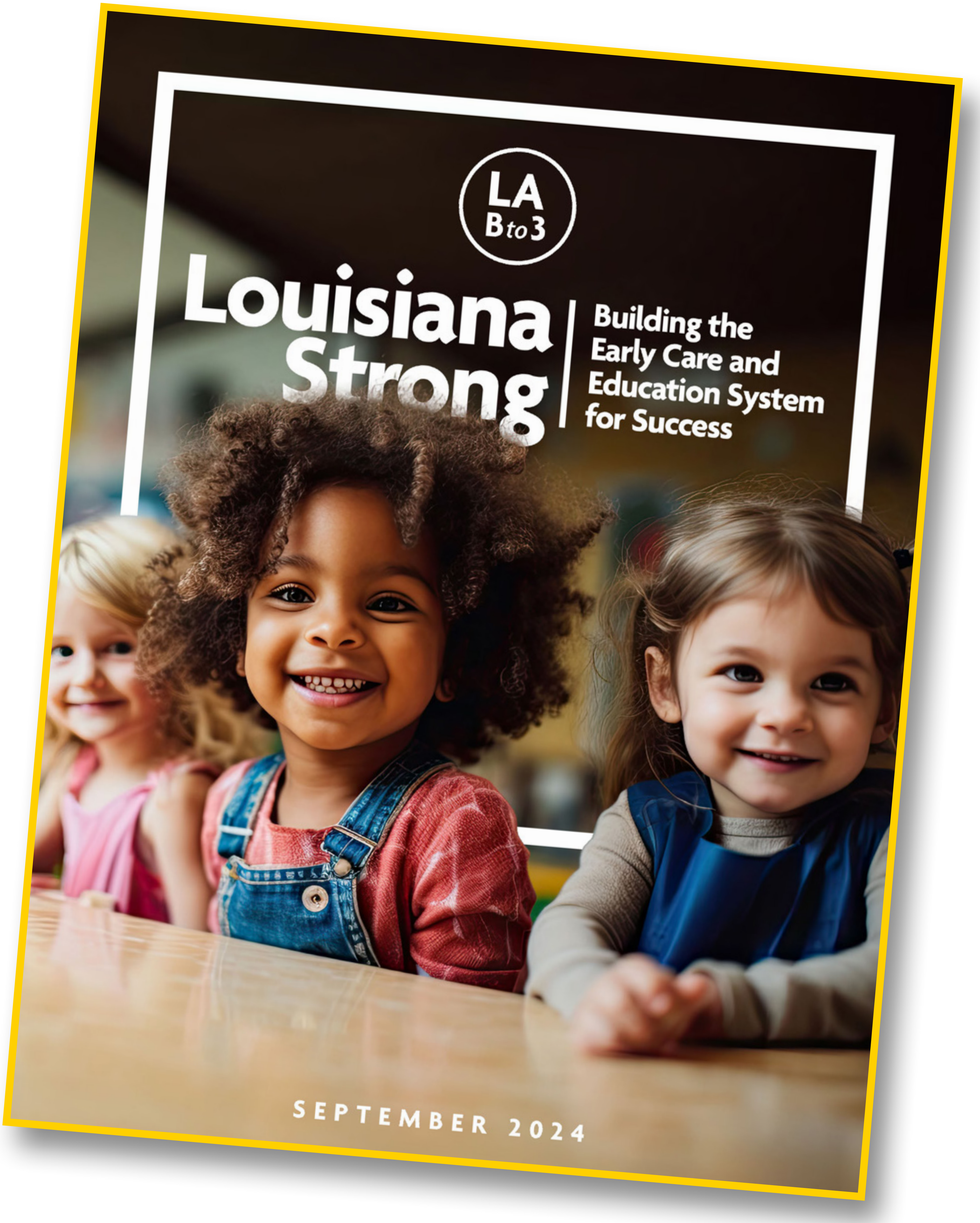
The first stimulus bill, the CARES Act, granted the LDOE $67.6 million for early child care and education, which had to be spent by September 30, 2022.[35] The four rounds of grants alleviated operational costs such as rent, staff salaries, bonuses to recruit and train staff, and additional cleaning supplies that many child care providers were facing. The grants were made available as a part of Governor Edwards's plan to reopen the state and increase the number of open centers by 40% over a five-month period.[36] Yet, despite the significant federal investments, child care providers continued to experience financial losses and other challenges.[37]

The second stimulus, CRRSA, provided Louisiana with another $198.3 million. The funds, which were required to be spent by September 30, 2023, were designed to offer states flexible funding options, including grants to "stabilize child care providers."[38] This was a notable and substantial shift in language compared to historical CCAP funding, focusing on propping up small businesses and no longer on just helping low-income families with children.

The final stimulus bill, ARPA, provided Louisiana with over $772 million. It included $296.8 million specifically aimed at expanding child care assistance and designated for expenditure by September 30, 2024. An additional $475.7 million was allocated for child care stabilization grants, which was required to be spent by September 30, 2023. The funds were earmarked for supporting families and essential workers and enhancing the quality of child care services, all while contributing to the recovery efforts in the wake of the pandemic.[39]

These funds have now or will soon be spent, forcing the state and child care providers to devise a sustainable plan to continue operations and serve those who need services. For some providers and advocates, the plan appears to be increased and continuing state funding to maintain much of what the federal government provided during and following the pandemic. In September 2024, Louisiana's Early Childhood Care and Education Commission published a report[40] that calls on the Louisiana Legislature to:

1. Restore state funding for Louisiana CCAP to the FY24 level ($87.7 million);
2. Appropriate at least $30 million to the Early Childhood Education Fund (ECE Fund) to provide a state match to revenue-generating local parishes;
3. Invest an additional $98 million of state funds annually for the next 10 years;
4. Codify the state's annual ECE Fund match into law; and
5. Design and adopt a funding formula for early childhood care and education akin to the state's Minimum Foundation Program funding formula for K–12 public schools to provide "predictable, sufficient, and stable funding for a strong ECE system each year."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Louisiana Strong
Building the Early Care and Education System for Success
SEPTEMBER 2024

ELEMENTARY AND SECONDARY EDUCATION

The key funding sources for public school pandemic relief and recovery were derived from three acts passed by Congress in 2020 and 2021. First, the Coronavirus CARES Act, which was signed into law during March of 2020, created the Governor's Emergency Education Relief (GEER) Fund and the ESSER Fund. Then, in December of 2020, Congress passed the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act. It provided additional funding for K–12 education by allocating more funds for an ESSER II and GEER II, as well as creating the Emergency Assistance for Non-Public Schools (EANS) Program. Months later, in March 2021, ARPA allocated an even greater amount of funding for ESSER III, GEER III, and various other education-related programs.

LOUISIANA DEPARTMENT OF EDUCATION LAUNCHES ACADEMIC RECOVERY AND ACCELERATION "COMEBACK" CAMPAIGN

The President, members of Congress, and federal education officials instructed states to use the funds to prevent, prepare for, and respond to the short- and long-term impacts of the COVID-19 pandemic. Funds from the CARES Act were to "ensure students and educators have the device, connectivity, and support needed to continue learning virtually... [and to] provide communication and support to families and students for continuous learning."[41] Funds from the CRRSA Act were intended to "measure and address learning loss among students disproportionately affected by the coronavirus and school closures, especially students with high needs." ARPA funds were intended to help "reopen schools and sustain their safe operation aligned to CDC prevention guidance, so students can return to in-person learning...[and] provide evidence-based interventions to meet social, emotional, and academic needs of students."

Louisiana State Superintendent of Education Cade Brumley echoed this through the Department's Louisiana Comeback guidance[42] to school systems, saying: "Our goal is to aggressively and transparently direct ESSER resources toward statewide investments that will recover and accelerate student learning....I'm excited to see the tremendous progress our students will make by school systems collectively focusing their funds, time, and effort into areas that bolster student achievement."[43]

The intent expressed by federal policymakers and state education officials, however, did not align with the actual language included in the laws and appropriations bills. This left LDOE in the position of having to relay[44] to local school system leaders that funds could be used on "[a]ny activity authorized by the ESEA of 1965, including the Native Hawaiian Education Act and the Alaska Native Educational Equity, Support, and Assistance Act (20 U.S.C. 6301 et seq.), the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) ('IDEA'), the Adult Education and Family Literacy Act (20 U.S.C. 1400 et seq.), the Carl D. Perkins Career and Technical

Education Act of 2006 (20 U.S.C. 2301 et seq.) ('the Perkins Act'), or subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.)." Fourteen additional eligible uses were included, with the last one being,

> **"[o]ther activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency." Federal officials touted this as a catch-all to help school leaders meet any unforeseen needs, but in practice, aside from a handful of prohibited uses, it signaled "anything goes."**

The language greatly undercut state leaders' ability to require school systems (also called local education agencies, or LEAs) to prioritize or even restrict this funding to expenses with the greatest likelihood of addressing students' academic recovery from learning loss. For example, LDOE communicated that it "strongly discourages LEAs from using ESSER or GEER funds for new construction because this use of funds may limit an LEA's ability to support other essential needs or initiatives."[45] However, construction is generally allowable, if individual costs comply with cost principles and "meet the overall purpose of the CARES, CRRSA, or ARP Act, which is 'to prevent, prepare for, and respond to' COVID-19, and are consistent with proper and efficient administration."[46] Non-binding federal guidance stated that LEAs could not use ESSER or GEER funds to "renovate, remodel, or construct athletic facilities like swimming pools, playing fields, or sports stadiums" because "it is unclear, for example, how constructing a swimming pool is related to the pandemic or otherwise allowable."[47] Yet, as recorded in LDOE's grants management system, some school systems in Louisiana did just that, claiming the projects had a connection to COVID-19.

The Jackson Parish School System, for example, claimed that its use of nearly $5.5 million in pandemic relief and recovery money for facilities work was justified because the replacement of roofs and leveling of building foundation helped to "improve air quality"; improvements to a high school auditorium's seats, carpet, ceiling, grid and lights, and stage curtain would "improve the ability to clean and disinfect and to decrease dust, germs and asbestos exposure"; and new cameras to be installed on school campuses would "assist with close contact tracing". The school system also used the federal funds on a new high school weight room.

Many other school systems did the same. St. Landry Parish School System spent over $41 million to replace roofs, build new classrooms, renovate restrooms, replace or repair windows and doors, and expand cafeterias. The St. Helena Parish School System spent over $5 million to "renovate existing classroom spaces and build additional classroom spaces to reduce the teacher/student ratio in classes and promote more indoor social distancing". Many school systems also used the money to purchase new school buses.

Monroe City Schools spent $33 million, or 44% of its ESSER II money, on construction projects coded as "COVID-19 guidance and support".[48] They included a $3.6 million renovation of press boxes and bleachers in the football stadiums of three high schools, a $5.5 million band room expansion in one high school, an $8.2 million multi-purpose building expansion, an $8 million investment in bathroom renovations across different schools to "reduce the risk of virus transmission,"[49] a $5.4 million gym expansion, a $100,000 roof for an administrative office, over $40,000 on new gymnasium bleachers in two schools, $1 million spent on two outdoor learning pavilions, and various playground equipment upgrades totaling $1.4 million.

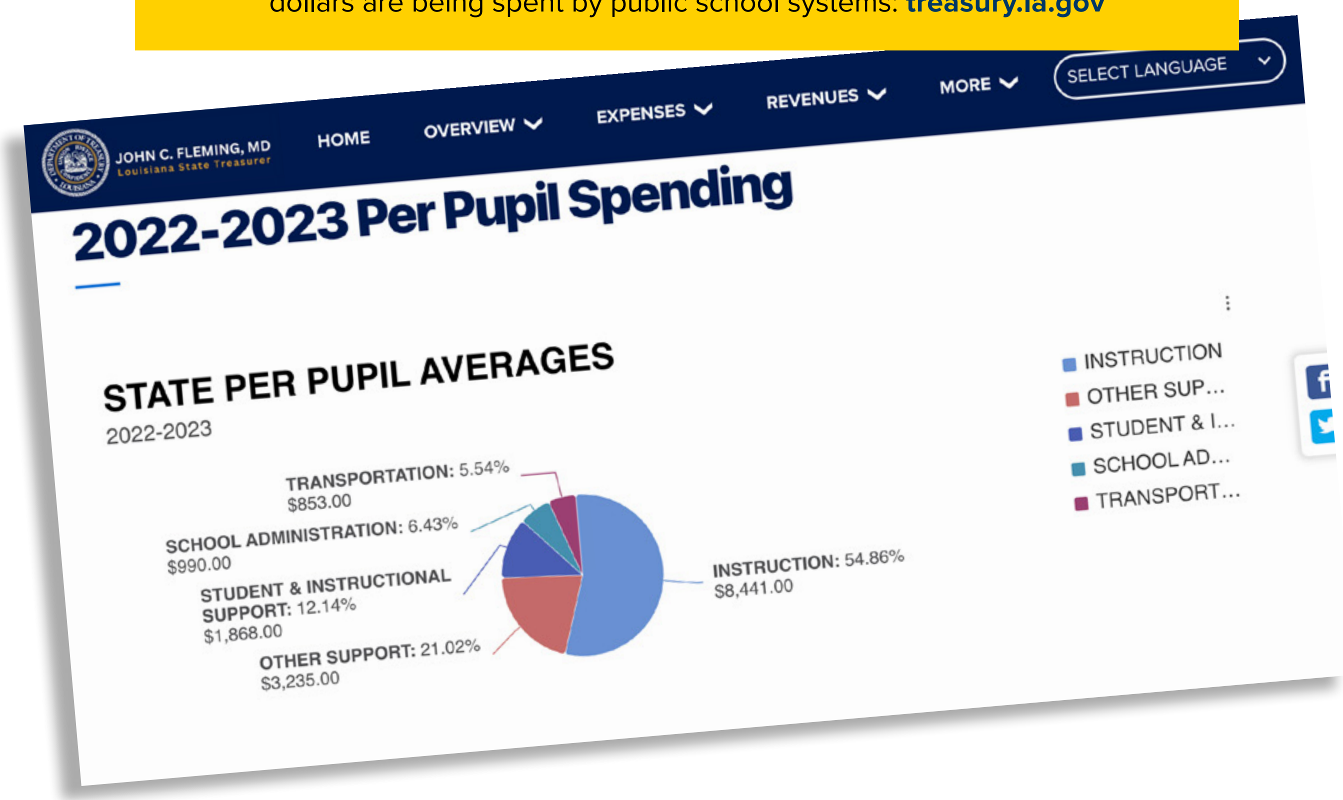
In Livingston Parish, the school system leveraged this federal funding to pay teachers and other school staff more after their voters rejected a tax proposal by a 54–46% vote.[50] It had enlisted independent contractors to identify areas for cost-cutting to free up money for staff pay increases, but before any suggestions were made, the school board (like several others) chose to grant one-time bonuses funded by federal ESSER money instead. For the 2023–2024 school year, it approved an additional $2,000 for certified personnel and $1,000 for others. Additionally, teachers qualifying for a "differentiated compensation stipend, based on their annual evaluations," were approved to receive ESSER-funded stipends ranging from $200 to $600 in the spring.[51]

Meanwhile, school systems were spending relatively little on student-focused supports to address learning loss. For months after students returned to school, local school system spending of pandemic relief aid was slow and student learning needs remained high. After repeated warnings from state education officials about the possibility of losing this money, school leaders began spending these funds in greater sums in 2024. As of December 1, 2024, the

U.S. Department of Education's dashboard showed approximately $536 million remaining for Louisiana. And as of December 2, 2024, the LDOE's dashboard showed that only $206.55 million (or just over 5% of total pandemic recovery funding received) had been spent by local school systems on tutoring, additional learning time, individual student supports, and after-school programming.[52] The largest expenditure categories were "other allowable expense" ($357.27 million) and a blank category with no identified expenditure ($419.38 million).

Louisiana's inability to compel school systems to prioritize federal funding for addressing students' learning loss has left public school academic achievement stagnating at dangerously low levels, with many grades and subjects still struggling to recover to pre-pandemic standards. Just 35% of students are proficient in English/reading, math, science, and social studies.[53] And as federal funding winds down, some policymakers and advocates have begun calling for the state to allocate more money for tutoring in reading and math. During the 2024 Regular Legislative Session, they were joined by school system leaders—many of the same ones who did not prioritize recent federal pandemic-related funding for that purpose—in asking the Louisiana Legislature and the Governor to appropriate $30 million for tutoring.[54] The request was granted[55] with very little discussion of the hundreds of millions of dollars of unspent federal pandemic funding, or of Louisiana's ranking at the top for total per pupil spending among states in the Southeast.[56]

Check out Louisiana's New **K-12 School Transparency Project** to see how tax dollars are being spent by public school systems: **treasury.la.gov**



Conclusion and Recommendations

The federal government plays an increasingly significant role in education, far beyond supporting children with special needs and providing emergency aid. What's challenging for states is that it's not always the supportive role they would prefer. The carrot of substantial funding is extremely hard to pass up, but the stick is often just as big. Federal grants come with numerous requirements—some of them misaligned with or contradicting state priorities—instead of equipping state leaders with extra resources to address their biggest needs.

A recent national survey[57] revealed that while three-fourths of American voters believe the federal government should fund public schools, only 28% believe the federal government should be able to dictate how that money should be spent. When asked who should decide how federal education money is spent, most indicated they trust the state department of education.

That public trust, however, comes with expectations that state leaders—including the governor, legislature, state education board, and chief state school officer—will work together to leverage only the federal funding opportunities that augment state plans and priorities for improving child outcomes. To do this, all must have a thorough understanding of any strings attached, what if any authority the state will have to align federal funds allocated to local entities with state priorities, and what will occur once federal funding has ended. The following recommendations can better position states to lead.

Recommendations

1. Congressional leaders and federal education officials should work with states to identify states' biggest education needs, prioritize any federal funding opportunities accordingly, and minimize federal policy directives, red tape, and bureaucracy as part of the grantmaking process. Appropriations for federal grant programs and allocations to states and local school systems should empower state education agencies to advance state priorities.
2. Congress should use the Congressional Review Act (CRA) to address cases of federal overreach in grantmaking programs and through federal agencies' allocations of federal funds. Where new requirements or restrictions are imposed on states' and localities' use of funds that are not authorized by law, members of Congress should be able to rescind those provisions as they do with problematic federal regulations.
3. Where the CRA is not leveraged or leveraged successfully, state attorneys general in collaboration with receiving agencies should not hesitate to take action through the courts when federal bureaucrats attempt to enforce new rules or otherwise legislate policy through grantmaking or requirements tied to the allocation of federal funds.
4. State leaders should coordinate across executive and legislative branches of government to jointly plan for and actively monitor the use of federal funds and how federal requirements are being addressed—not just as a compliance exercise, but to reveal federal requirements that may conflict with state priorities and policies. State legislatures should play a more active role in consulting with state agencies about applying for and receiving federal funds, as well as planning for sustainability of funded activities and services if needed.
5. State agency boards and state legislatures should regularly monitor how federal funding is being used to advance state education priorities, particularly in annual budget hearings where additional state funding is requested.
6. To enhance transparency, state websites and dashboards displaying public school finance information should include expenditures of federal dollars relative to state education priorities and identify unspent and carryover funds. LDOE has begun to report this information and other state agencies in Louisiana and across the nation should do the same.

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