



K-12 Education Leaders Survey on Impact of COVID-19 Relief Funding and Outlook

L.E.K. Consulting: Education practice

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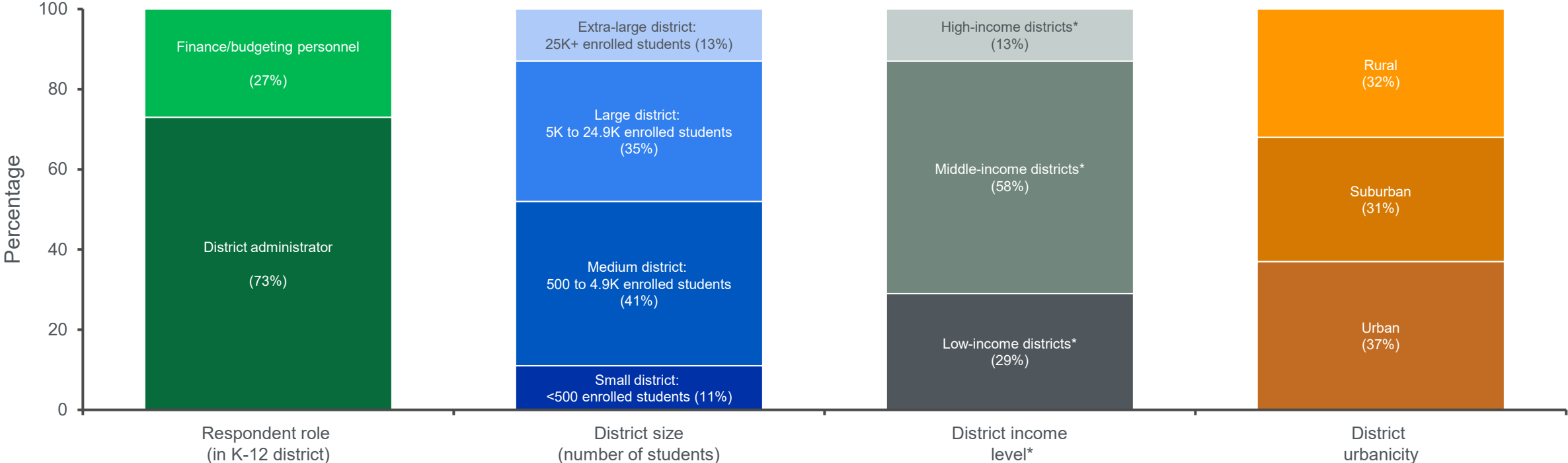
COVID-19 relief funding was a stop-gap measure used during the pandemic to help K-12 school districts offset the potential impact on students; as funds expire, district administrators highlight potential gaps

- L.E.K. conducted a **survey of ~200 K-12 school district administrators** to assess COVID-19 relief fund allocation, spending priorities and perceptions of effectiveness of funds in addressing student and staff needs; based on the actual distribution of school districts, the survey had a higher proportion of respondents from large districts and a lower representation from high-income districts
- District administrators report that **the pandemic disproportionately affected students from low-income backgrounds** and widened the learning gap
- They also indicate several key themes that will be important over the next three years, including **mental and behavioral health support, student academic support and special education**
- The vast **majority of respondents felt that COVID-19 had a negative impact on teachers**, with high turnover and difficulty filling open roles reported as key challenges, thereby increasing the urgency for long-term recruitment and retention strategies
- District administrators surveyed indicated that **COVID-19 relief funds accounted for ~18% of funding in 2021-22 (at peak) and dropped to ~8% of total budgets** in the most recent academic year (2024-25)
- These COVID-19 relief funds were most **commonly distributed across instructional support, school infrastructure, personnel benefits, and student behavioral and mental well-being**
- The **majority of district administrators (~65%) view COVID-19 relief funds as very or extremely effective** in meeting the needs of students and staff; however, ~57% of district administrators indicate that they would allocate these funds differently if given another opportunity, highlighting **prioritization of instructional support and student emotional/mental health** (likely reflecting how the understanding of COVID-19's impact and student needs evolved over time)
- As COVID-19 relief funds are set to expire, there are **mixed expectations for future budgets as funding sources evolve**; the anticipated net impact is a **budget decrease of ~2% in the upcoming year**; 59% of respondents indicate that their school district has a plan to offset the decline in COVID-19 funds; districts primarily intend to achieve this by cutting spending and seeking additional sources of funding from state/local sources and grants
- Based on the categories that district administrators indicated they allocated COVID-19 relief funds to, **instructional support is least likely to be cut if districts are forced to reduce spending; physical/digital infrastructure and personnel budgets are at greater risk**

L.E.K. conducted a survey of K-12 school district administrators to assess COVID-19 relief fund allocation, spending priorities and perceptions of effectiveness of funds in addressing student and staff needs

L.E.K. K-12 district administrator_survey respondents, by key demographics (2024)

Percentage of respondents
(N=200)

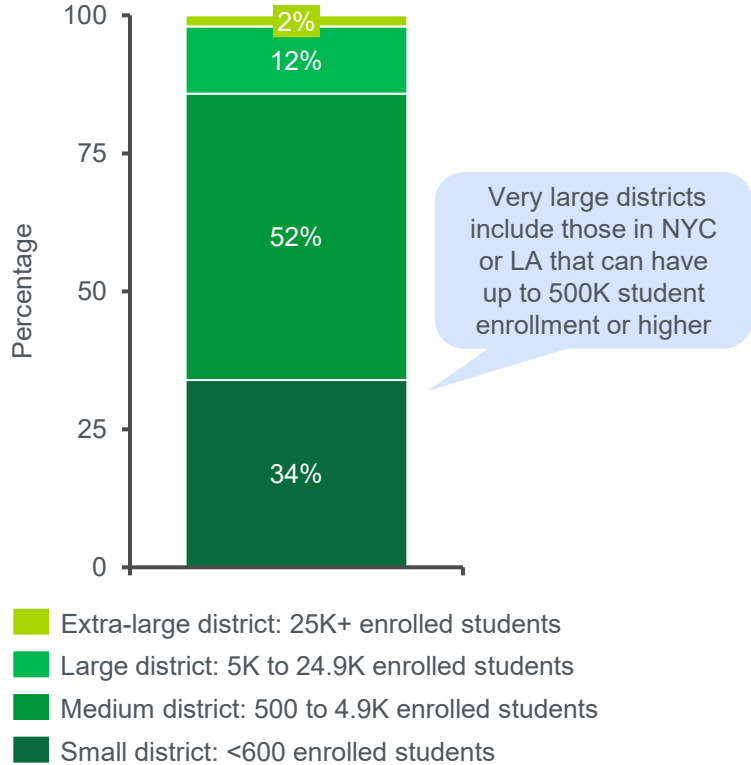


*High-income districts are defined as few or no students qualifying for free or reduced-price lunch; middle-income districts are defined as some students qualifying for free or reduced-price lunch; low-income districts are defined as the majority of students qualifying for free or reduced-price lunch; due to low N in the high-income district segment, we have combined the middle- and high-income districts into one bucket
Source: L.E.K. survey and analysis

Based on the actual distribution of school districts, the survey had a higher proportion of respondents from large districts and a lower representation from high-income districts

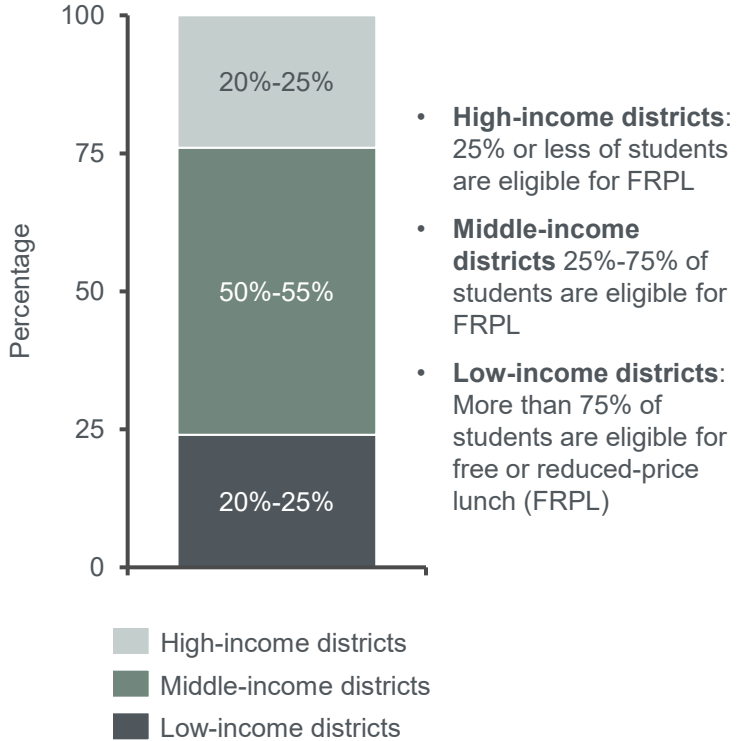
K-12 school districts by district size (2022)

Percentage of U.S. K-12 school districts



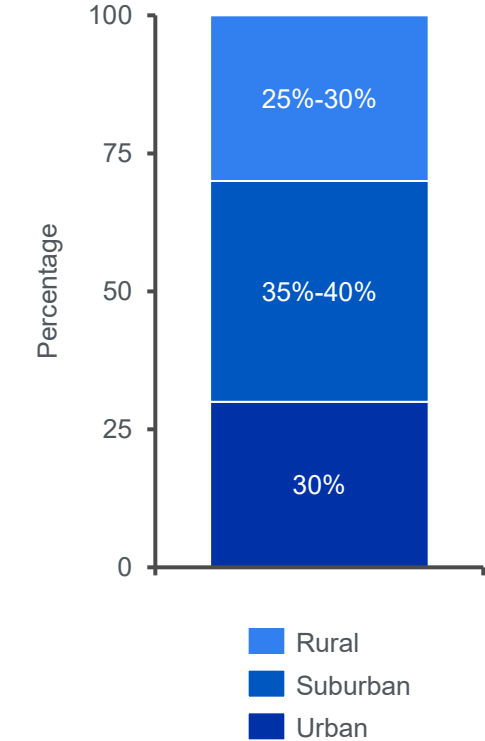
K-12 student enrollment by school poverty level (2021)

Percentage of U.S. public school students



K-12 student enrollment by urbanicity (2022)

Percentage of U.S. K-12 school districts

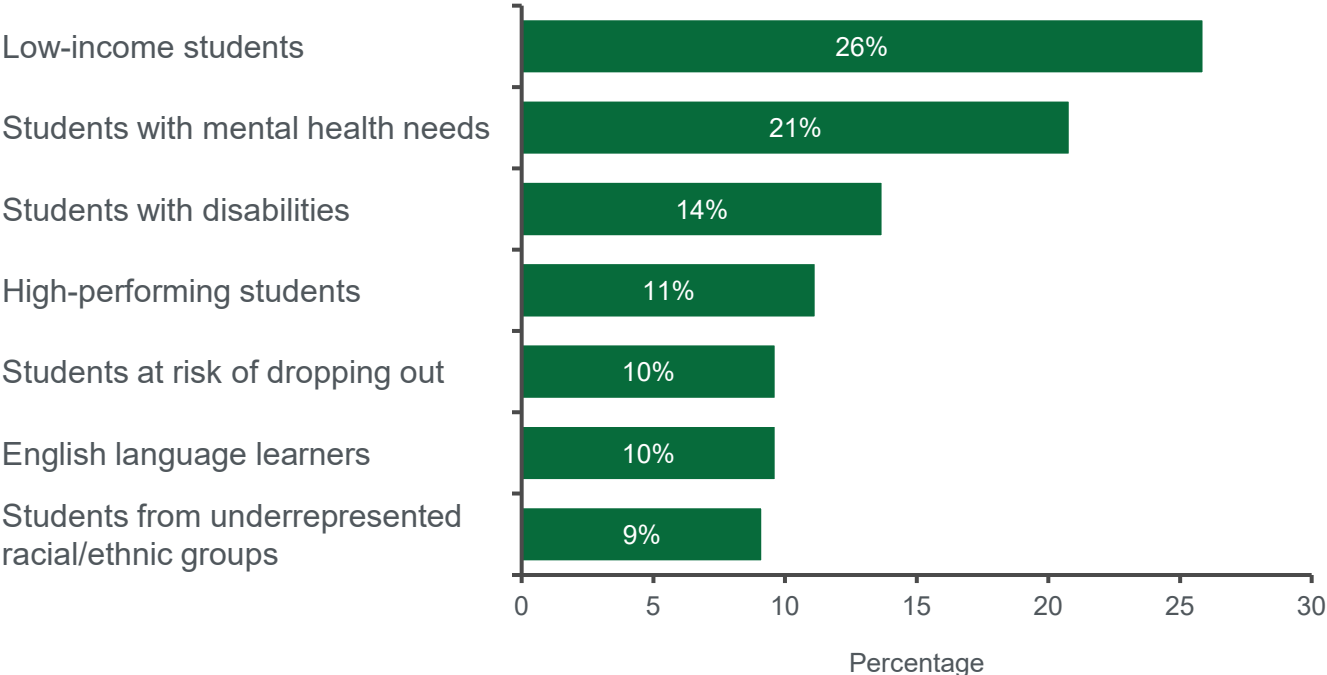


Note: FRPL=free or reduced-price lunch
 Source: Annie E. Casey Foundation; IBIS; Education Week; U.S. Government Accountability Office; National Center for Education Statistics (NCES); Pew Research Center; U.S. Census; L.E.K. research and analysis

School district administrators report that the pandemic disproportionately affected students from low-income backgrounds and widened the learning gap

District administrator view of student groups needing the most support (2024)

Percentage of respondents ranking group first ^{^(N=200)*}



District administrators report that **low-income students**, those with **mental health needs** and those from **underrepresented racial/ethnic groups** need the most support today

“Students of color and lower socioeconomic status (SES) were disproportionately impacted by the educational challenges of COVID-19”

— University of California, Edu. Inequities Deepened by the Pandemic, 2023



The pandemic worsened existing issues, with ~70% of high schoolers reporting anxiety, chronic absenteeism nearly doubling and math scores dropping sharply among disadvantaged students

*Survey: Q40. Which of the following student groups would you say need the most support/resources in your school district today?

[^]Percentage of respondents ranking top 1 as student need expected to grow the most

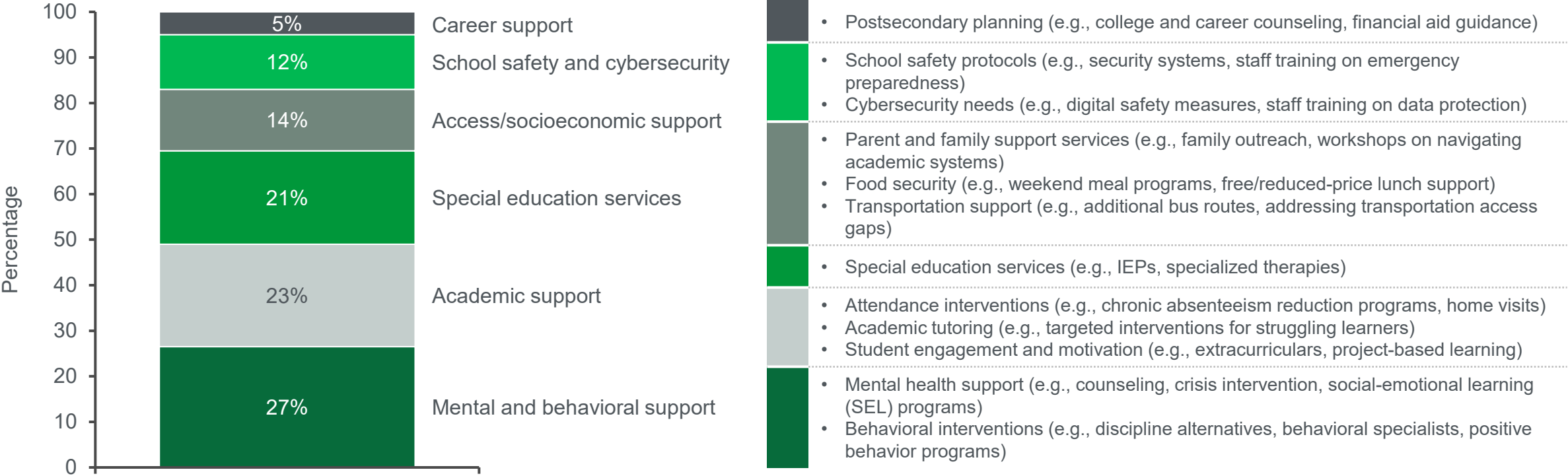
NIH: National Institutes of Health

Source: Education Week; K-12 Dive; NIH; Pew Research; University of California; L.E.K. survey, research and analysis

They also indicate several key themes that will be important in the coming years, including mental and behavioral health and robust academic supports

District administrator view of student needs that will increase the most over the next three years (2024)

Percentage of respondents ranking student need first (N=200)*



*Survey: Q41. Thinking about all the students in your school district, which student needs do you expect to increase the most over the next three years? Please rank up to 5, with 1 being the student need you expect to grow the most

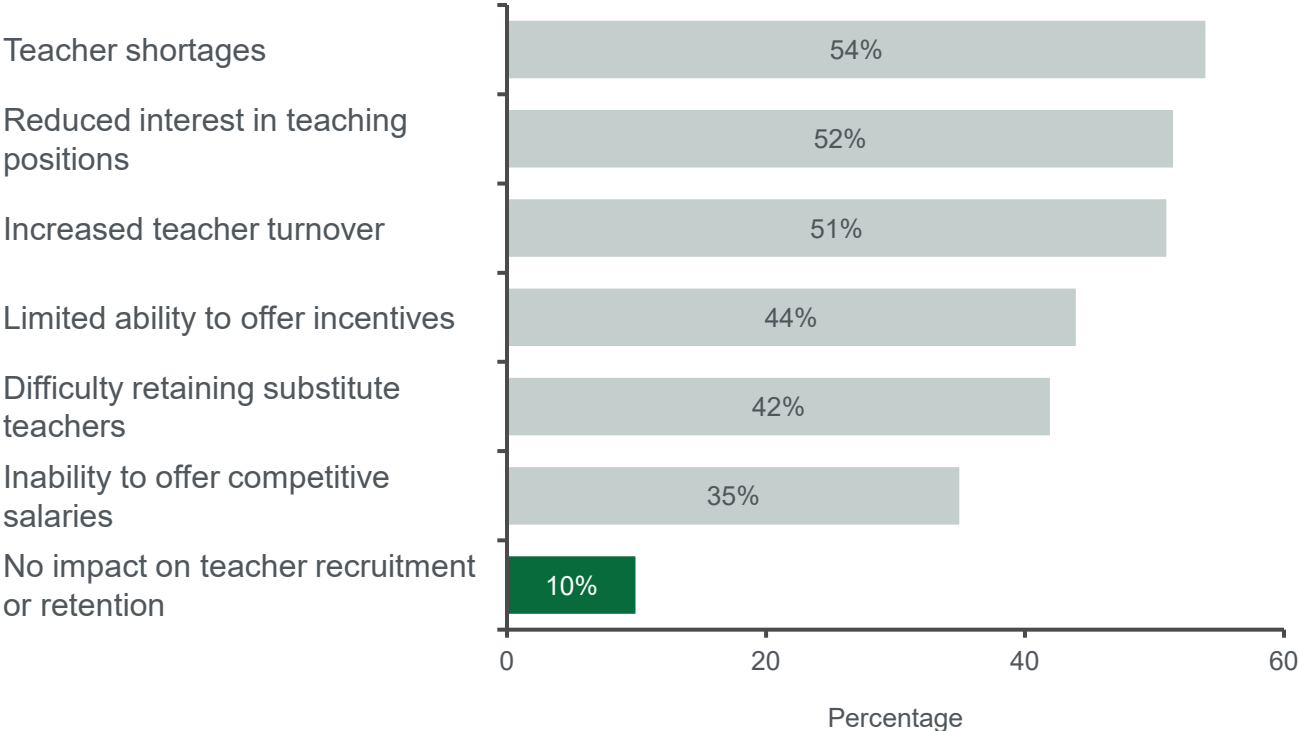
IEP=individualized education programs

Source: L.E.K. survey and analysis

Approximately 90% of respondents reported negative pandemic impacts on the workforce, including high turnover and teacher shortages, increasing the urgency for long-term recruitment and retention strategies

District administrator view of pandemic’s impact on teachers (2024)

Percentage of respondents selecting (N=200)*



- The pandemic deepened K-12 school staffing challenges, **intensifying teacher shortages and retention issues** and **leading to an imbalance in staff distribution across districts**
 - The pandemic intensified teacher shortages, with 300K public school staff leaving the field by mid-2022
 - Teacher shortages vary widely, with Florida reporting 5K+ vacancies in 2024 vs. other states reporting fewer
 - Low-income and rural districts were hit the hardest, as were STEM, special education and foreign language subjects
- K-12 school district administrators plan to address teacher recruitment and retention challenges by:

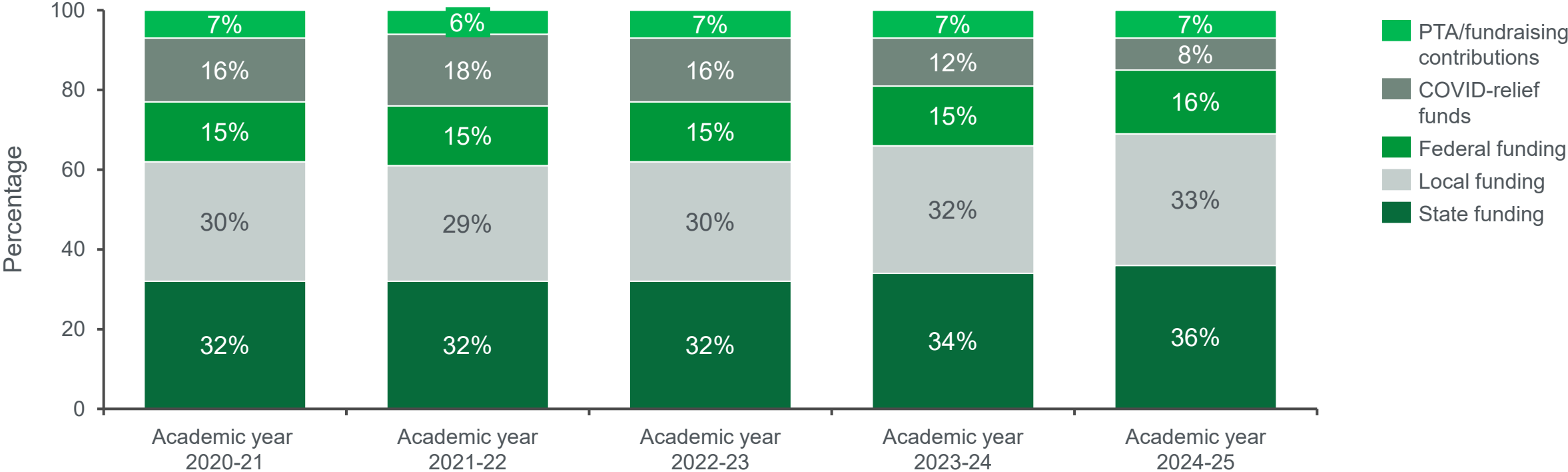
- 42%** Increasing salaries or benefits
- 17%** Partnering with local universities for pipeline programs
- 15%** Increasing professional development opportunities

*Survey: Q38. How has your school district’s ability to attract and retain teachers been impacted over the past three years?; Q39. What strategies does your school district plan to implement to address these challenges with attracting/retaining teachers?

STEM=science, technology, engineering and mathematics
Source: Education Week; K-12 Dive; Pew Research; L.E.K. survey, research and analysis

District administrators surveyed indicated that COVID-19 relief funds accounted for ~18% of district funding in 2021-22 and dropped to ~8% of total budgets for this academic year (2024-25)

K-12 school district funding source mix*
(Academic years 2020-25)
 Percentage (N=200)^



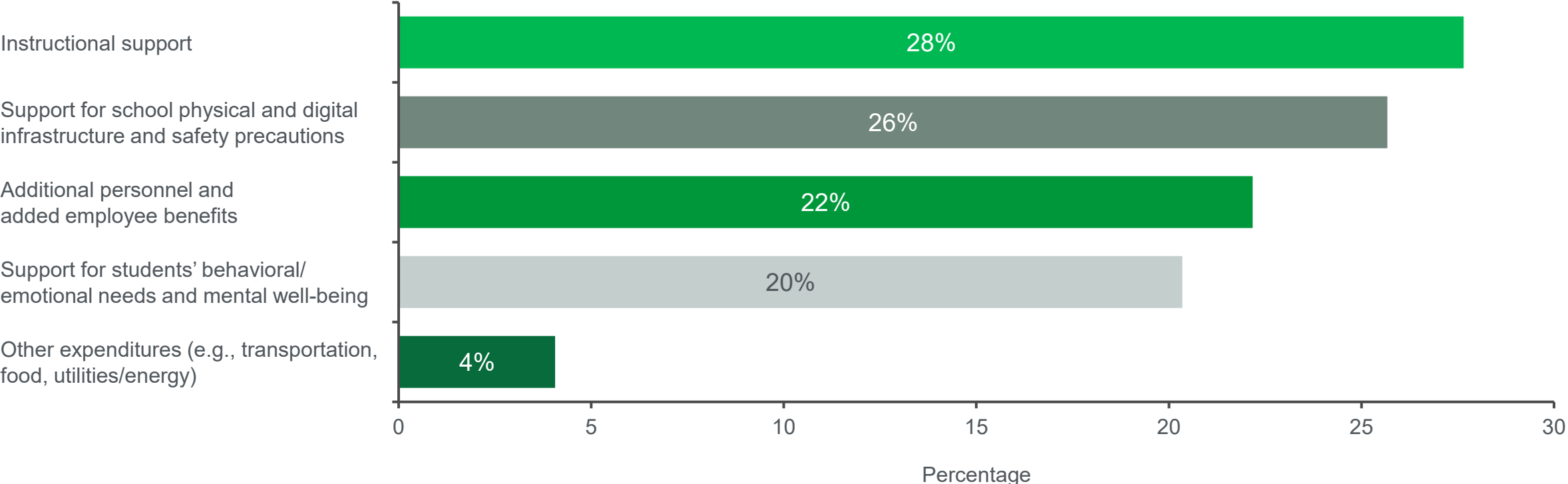
*Survey: Q12. Approximately what percentage of your school district’s overall annual budget came from each of the following funding sources in each academic year?
 ^State funding includes state income tax and state education grants; local funding includes property taxes and local levies; federal funding includes Title I grants, Individuals with Disabilities Act (IDEA) and Elementary and Secondary Education Act (EASE); COVID-19 relief funds includes ESSER I and II, III funds and Governor’s Emergency Education Relief (GEER); PTA/fundraising contributions includes local community fundraising and parent teacher association initiatives
 Source: L.E.K. survey and analysis



In aggregate, COVID-19 relief funds were broadly distributed across instructional support, school infrastructure, personnel, and student behavioral and mental well-being

School district average allocation of ESSER funds by category (2020-24)

Weighted average budget allocation (N=200)*



*Survey: Q13. You indicated that your school district received and allocated COVID-19 relief-specific funds (e.g., ESSER funds). Thinking only about your school district's COVID-19 relief-specific funds (e.g., ESSER funds) budget, approximately what percentage of this budget was allocated to each of the following areas?

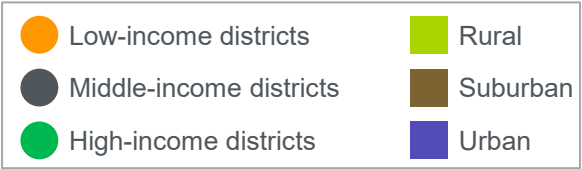
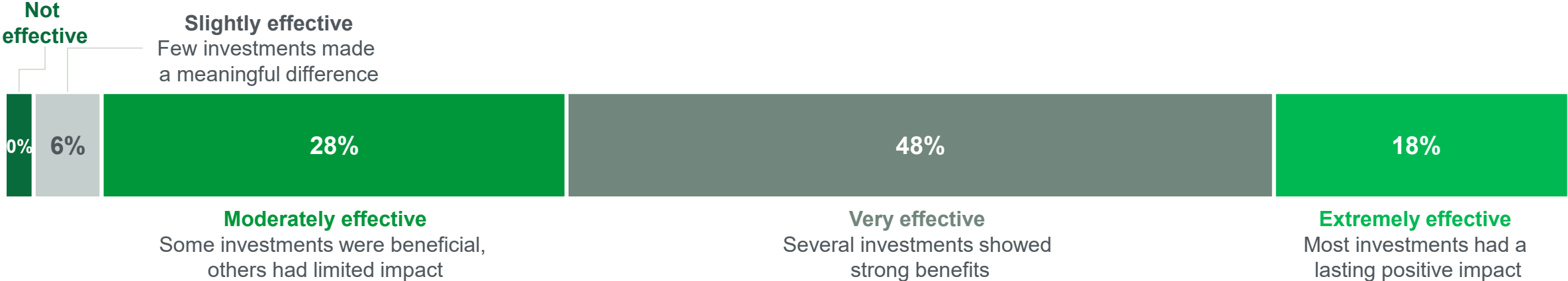
Note: ESSER=Elementary and Secondary School Emergency Relief

Source: L.E.K. survey and analysis

Most district administrators (~66%) view ESSER funding as very or extremely effective in meeting the needs of students and staff ...

School district view of effectiveness[^] of ESSER fund allocations (2020-24)

Percentage of respondents (N=200)*



*Survey: Q25. Overall, how effective do you feel your school district's use of COVID-19 relief-specific (e.g., ESSER funds) has been in meeting the needs of students and staff?

[^]Effectiveness of meeting student and staff needs
 ESSER=Elementary and Secondary School Emergency Relief
 Source: L.E.K. survey and analysis

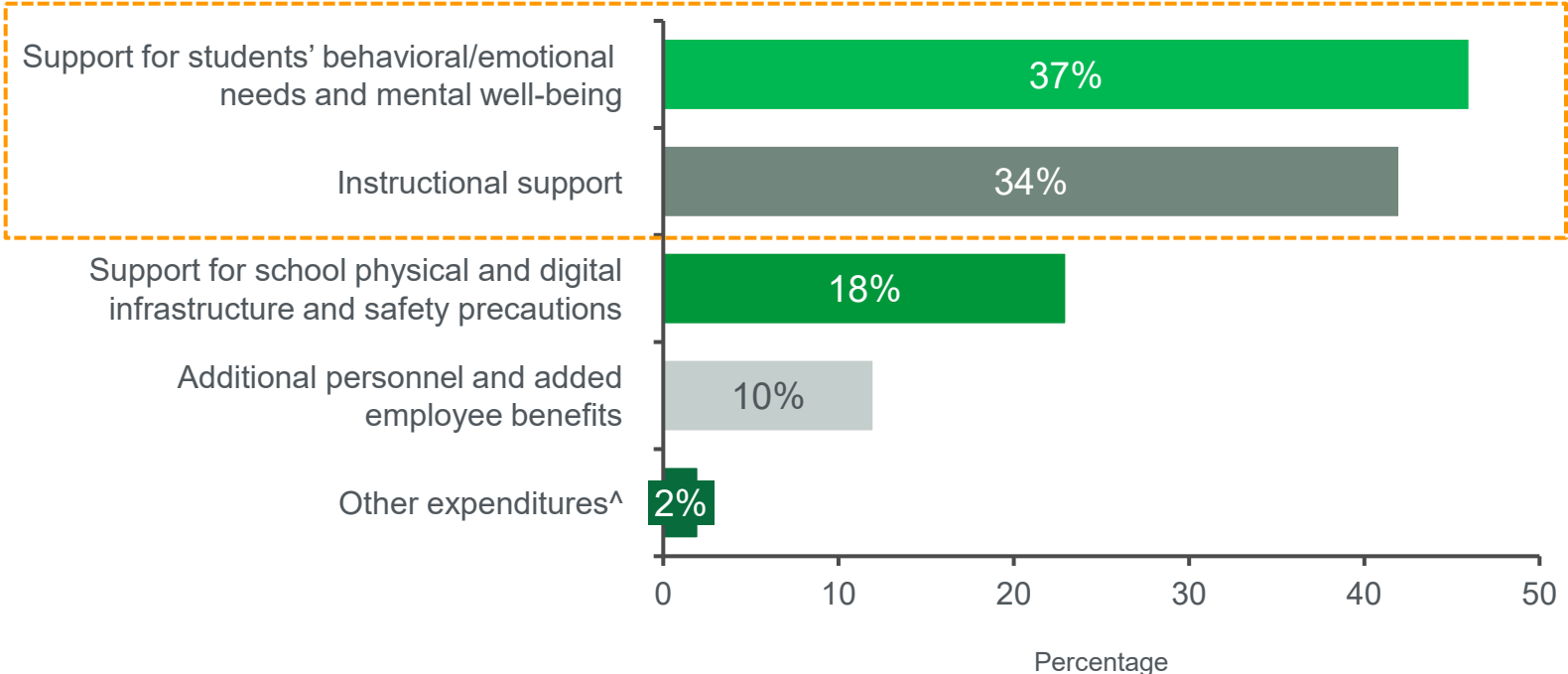
... however, ~57% say they would allocate COVID-19 relief funds differently if given another opportunity — highlighting further prioritization of student emotional/mental health and instructional support



of respondents indicate they would allocate ESSER funds differently given another opportunity

Top category for prioritization of ESSER fund allocation if able to reallocate past funds (2024)

Percentage of respondents ranking category as top priority if able to re-allocate (N=125)*



*Survey: Q35. If you could allocate the COVID-19 relief-specific funds (e.g., ESSER funds) again, would you make the same spending choices?; Q36. Which of the following would you prioritize if given another opportunity to use the COVID-19 relief-specific funds (e.g., ESSER funds)?

^ Includes miscellaneous expenditures such as transportation, food, utilities/energy

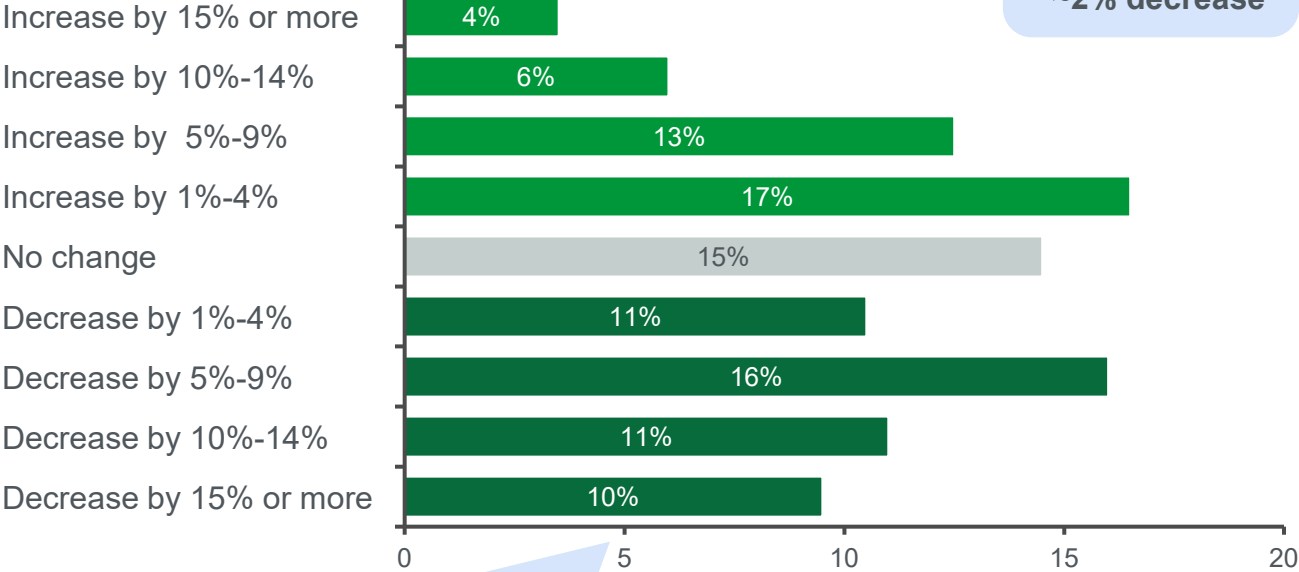
ESSER=Elementary and Secondary School Emergency Relief

Source: L.E.K. survey and analysis

As COVID-19 relief funds are set to expire, there are mixed expectations for future budgets as funding sources evolve; the anticipated net impact is a modest budget decrease in the upcoming year

Expected K-12 overall budget shift (Academic year 2025-26)

Percentage of respondents selecting (N=200)*



Low-income and rural districts indicate more likelihood for large decreases (i.e., 10%-15%).

39%

of school district administrators indicate they expect district **budget to increase**

47%

of school district administrators anticipate **budget reductions** with the expiration of ESSER funding

*Survey: Q26. Thinking about your school district's overall budget in academic year 2025-26, how do you expect your school district's overall budget to change compared to COVID-19-period budgets, assuming that there is not another round of ESSER funding or supplemental funding sources that you would use to offset the ESSER funding decrease?

^Weighted average net impact to expected budget in the 2025-26 academic year

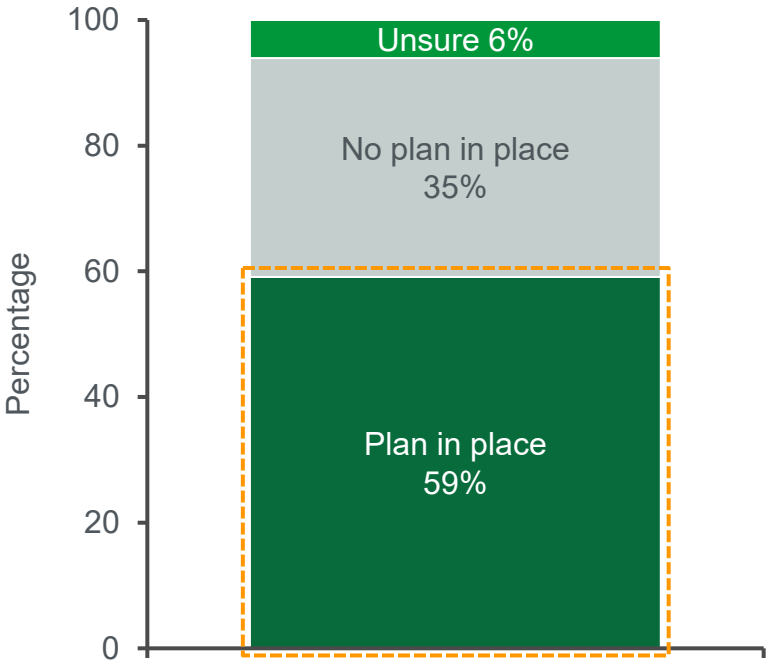
Note: ESSER=Elementary and Secondary School Emergency Relief

Source: Education Week; industry articles; K-12 Dive; Pew Research; Politico; L.E.K. survey, research and analysis

Fifty-nine percent of respondents indicate that their school district has a plan to offset the decline in COVID-19 funds; districts primarily intend to achieve this by cutting spending and seeking additional sources of funding

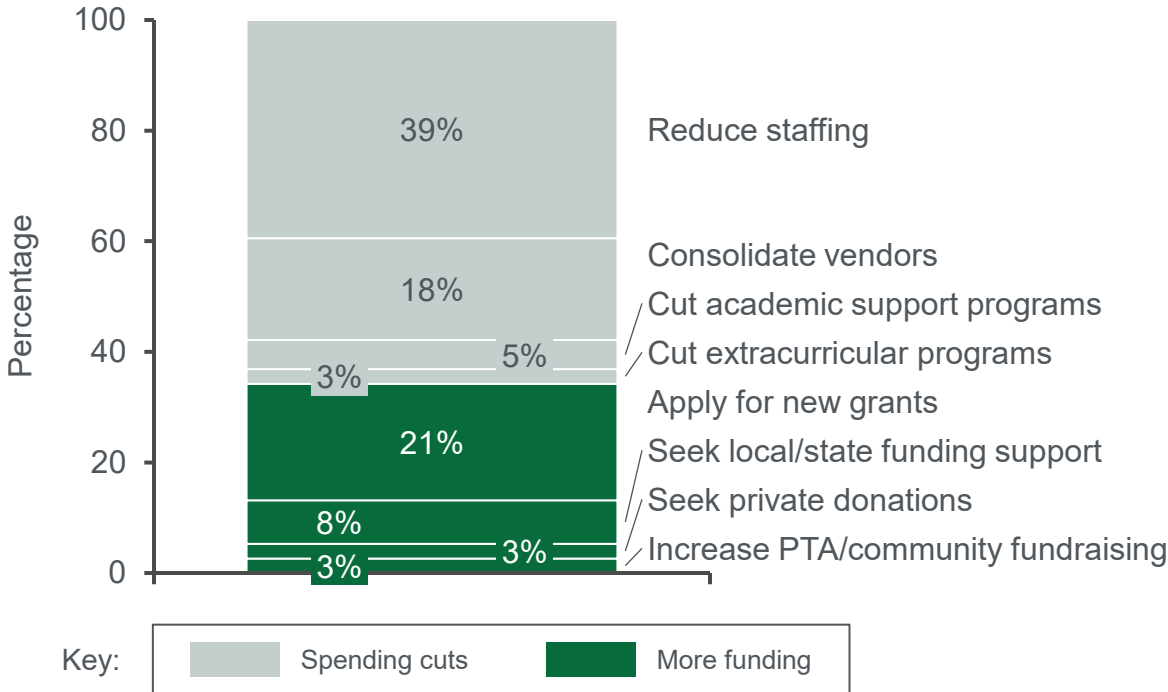
Portion of respondents with a plan to offset the gap left by the reduction in ESSER funds (2024)

Percentage of respondents (N=66)*



Top strategies to offset decline in the funding from expiring ESSER funds for respondents who have a plan (2024)

Percentage of respondents ranking as top strategy (N=39)

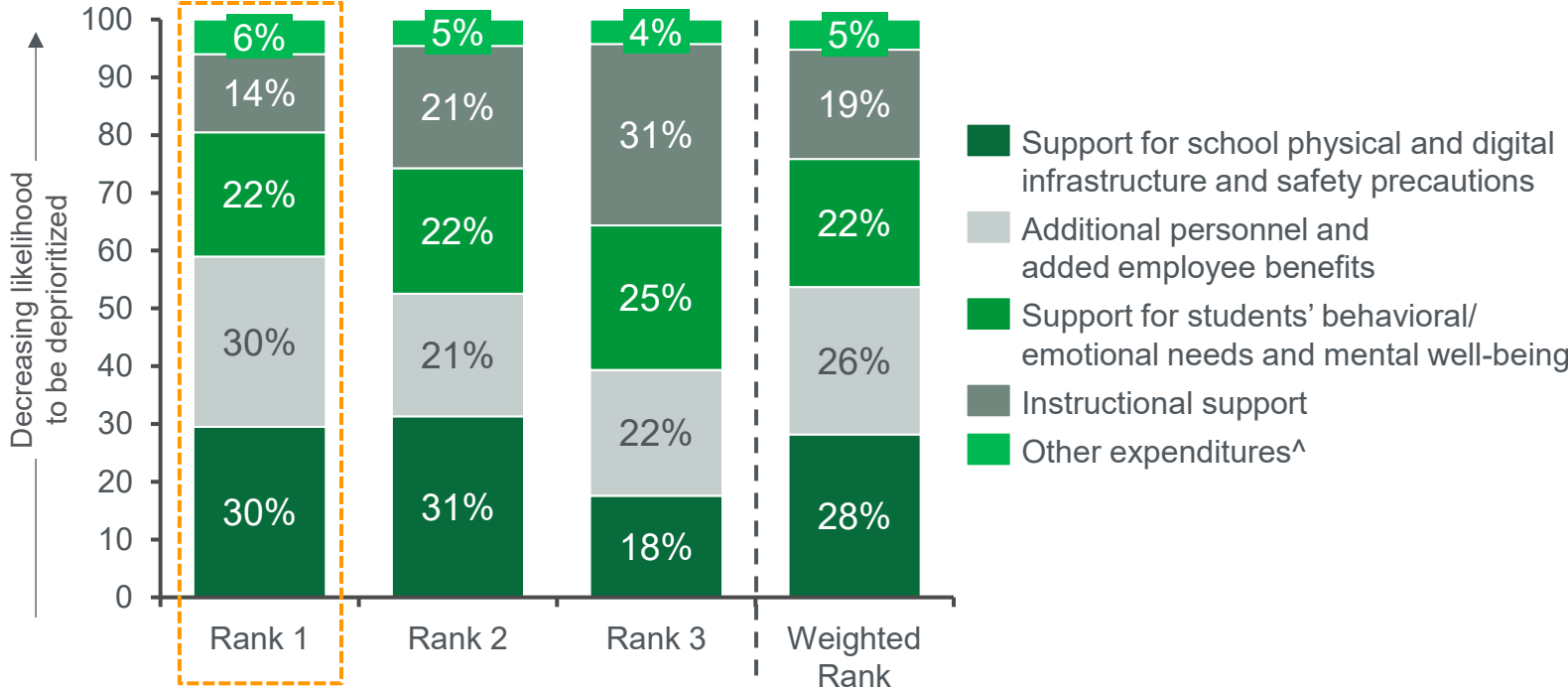


*Survey: Q28. Does your school district currently have a plan to offset the gap left by the reduction in COVID-19 relief funding (e.g., ESSER funds)?; Q29. Which of the following, if any, is your school district planning to prioritize to offset the decline in funding as COVID-19 relief/ESSER funds expire?
 ESSER=Elementary and Secondary School Emergency Relief
 Source: American Association of School Superintendents (AASA); Brookings Institution ; Education Week; International Development Research Association (IDRA); K-12 Dive; L.E.K. survey, research and analysis

Within the categories that district administrators indicated they allocated COVID-19 relief funds, instructional support is least likely to be cut if districts were forced to reduce spending

Top ranked spend category to deprioritize if faced with budget constraints (2024)

Percentage of respondents ranking category as top 1-3 to deprioritize (N=200)*



District administrators indicate they are more likely to **deprioritize spending** on categories that they **can defer without long-term impact** while **maintaining spend** on areas with **direct impact on student outcomes**

*Survey: Q30. If you had to deprioritize certain spending areas based on budget constraints, which of the following areas would be the most likely to be deprioritized? Please rank up to 5 in order with 1 being most likely to deprioritize, and 5 being least likely to deprioritize; Q31. You indicated that your school district would most likely deprioritize [category] with a more limited budget.; what were the primary reasons behind the decision to deprioritize this category?

N varies by category, as categories were shown only to respondents indicating they allocated a non-zero amount of ESSER funding to this category

^Includes miscellaneous expenditures such as transportation, food, utilities/energy

ESSER=Elementary and Secondary School Emergency Relief

Source: L.E.K. survey and analysis

Contact us for more in-depth analysis of the findings from our K-12 Leaders Survey



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