



POLICY BRIEF

ALASKA
POLICY FORUM

COVID Relief Funding: Are Alaska's School Districts Spending Responsibly?

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Introduction

The Alaska Department of Education and Early Development (DEED) has released several dashboards showing how COVID relief funds for education in Alaska are being utilized.¹ **In total, Alaska's school districts have received almost \$539 million from federal COVID relief funding. Sixty-nine percent (\$372 million) is yet to be spent as of May 3, 2022.**²

This report examines several school districts in-depth for examples of ill-advised spending allocated or spent so far. Instead of directly supporting their students' recovery from pandemic-induced learning losses, districts spent COVID funding on equity reports, sporting equipment, and advertising, to name a few examples. The question remains whether the unspent funds will be used responsibly to help students who have fallen behind during the pandemic.

For the most part, districts have spent COVID-related federal relief funding toward judicious investments in technology, supplies, capital projects, and professional development supporting recovery from learning losses. However, some districts found weak justifications to pursue capital projects that may have been necessary for quite a long time. These examples are not detailed here.

¹ Alaska Department of Education and Early Development. "Alaska K-12 Education: COVID-19 Federal Relief Funding Main Dashboard." <https://app.smartsheet.com/b/publish?EQBCT=0cfd777df5b94c0bbec27cc0631318a4> (All links accessed on or before 8/23/22.)

² Quinn Townsend. "Background on Federal COVID-19 Education Relief Funds." *Alaska Policy Forum*, April 26, 2022. <https://alaskapolicyforum.org/2022/04/background-on-federal-covid-19-education-relief-funds>

Smaller districts, although spending much less than larger districts, found more instances of particularly frivolous expenditures. Compared to the millions of dollars allocated to major projects in large districts, spending thousands on nice-to-have items or programs may not seem relevant. But legislators, parents, and the public ought to remember that each dollar squandered is a dollar that cannot be spent directly helping students recover from pandemic disruptions to education.

Districts of all sizes took the opportunity to hire new teachers and other staff with COVID relief funding – a fiscally irresponsible act that will require recurring costs once the COVID federal payday stops. Unless staff is hired for explicitly temporary positions, a combination of local, state, and routine federal sources will be required to upkeep these staff moving into 2023.

The DEED dashboards show that school districts are sitting on hundreds of millions of dollars while simultaneously asking the state for more money.³ Districts ought to be cautious about spending one-time federal funds on costs that promise to be recurring. Funding should be put toward solutions that reduce learning losses and do not represent ongoing burdens to districts or the state. Potential appropriate spending, aside from the immediate needs for PPE and facilitation of online learning, should attempt to address learning loss, such as with afterschool reading programs and summer school programs. Using temporary funds to enlist parental help might be a promising solution for districts struggling

³ Quinn Townsend. "Cash for Alaska's School Districts: Updated." *Alaska Policy Forum*, April 29, 2022. <https://alaskapolicyforum.org/2022/04/cash-for-alaskas-school-districts-updated>

to provide transportation and keep students on track to graduate.⁴

The school districts dashboard shows funds by the federal grant program under which they were awarded, including accounting codes for funds already spent.⁵ This related dashboard helps users navigate spending information for individual school districts.⁶ Unless expressly linked to a different source, quotes and dollar figures for budget items have been found in the Alaska Grants Management System, under the funding application for COVID Relief and the respective Act, school district, and object code.⁷

Anchorage School District

The Anchorage School District (ASD) received the largest total award, **\$184.1 million**, from federal COVID relief grants. ASD's PK-12 enrollment is reported at 43,086 on its dashboard, with \$4,273 awarded per student. However, only \$1,074 per student has been spent, or about 25% of the total award.⁸

⁴ Marguerite Roza. "An Idea For This Moment: Districts Can Pay Families To Help Get Students And Schools Back On Track." *Forbes*, December 6, 2021. <https://www.forbes.com/sites/margueriteroza/2021/12/06/an-idea-for-this-moment-districts-can-pay-families-to-help-get-students-and-schools-back-on-track/?sh=3b177d2392a0>

⁵ Alaska Department of Education and Early Development. "Alaska School District: COVID-19 Federal Relief Funding Dashboard." <https://app.smartsheet.com/b/publish?EQBCT=1a9e329f59b54752bab55d468f76fb21>

⁶ Alaska Department of Education and Early Development. "Alaska Individual School District: COVID-19 Federal Relief Funding Dashboard." <https://app.smartsheet.com/b/publish?EQBCT=d1419b98e11d4b7580125d1ce67f870d>

⁷ Alaska Department of Education and Early Development. "Search Grants." <https://gms.education.alaska.gov/search/grantsearch.aspx?ccipSessionKey=637968899522269333>

⁸ Alaska Department of Education and Early Development. "Anchorage School District: COVID-19 Federal Relief Funding Dashboard." <https://app.smartsheet.com/b/publish?EQBCT=272aa776d41f4c298b3682518587cf00>

Thus far, 43% of ASD's expenditures have gone toward certificated (certified) salaries, which are paid to permanent or temporary employees who are required to hold teaching certificates. Another 18% has been spent on employee benefits, and 5% on non-certificated salaries, for employees who do not require teaching certificates. These three categories of spending on staffing represent \$26.9 million. Although some of these employees are temporary, ASD's action of paying for staff with one-time federal funds is a red flag. Permanent employees should be paid out of the district's budget; when federal funding stops, salaries and benefits for these employees will need to be maintained through normal revenue channels.

Another red flag is ASD's submission in the professional and technical services category to spend \$189,526 of CARES Act funding on an "equity audit." The final report, published in December 2021, recommended ASD "target new teacher recruitment toward minority teachers," as well as "investigate further into the performance gaps that exist between students of different racial/ethnic groups" and evaluate access to advanced courses.⁹ The budget proposal from the Alaska Grant Management System is quoted partially below:

The COVID-19 pandemic has highlighted pre-existing inequities in public education, particularly when reviewing access to distance learning... The funding would be used to hire a contractor to conduct an equity audit and to produce a State of Equity report for ASD. Funds will also be used to support academic equity programs in partnership with non-profit and university based organizations to ensure equitable access in any learning environment. The academic equity would include staff professional development, data collection, and

⁹ Anchorage School District. "Equity Audit." <https://www.asdk12.org/Page/18943>

curricula. The two contracts are being performed by The Bond Group and Equal Opportunity Schools.

ASD budgeted \$19.1 million in the COVID relief grants to hire 255 full-time teachers for "class size reduction/preservation at all grade levels," in 2021-2022. The necessity is not clear, however; ASD's student-teacher ratio already dropped in the 2020-2021 school year due to falling enrollment. According to the National Center for Education Statistics (NCES), in 2020–2021, ASD reported 2,625 full-time equivalent (FTE) teachers, with a student-teacher ratio of 15.95 students to each teacher.¹⁰ In the school year prior to the pandemic, 2019–2020, 2,650 FTE teachers produced a student-teacher ratio of 17.41.¹¹ Notably, the number of administrators in 2020–2021 grew to 272, compared with 252 from the 2019–2020 school year. Numbers for the current school year are not yet available from the NCES.

ASD should rejoice that its goals to reduce class sizes have already been achieved.¹² Thanks to an enrollment drop in 2020–2021, the student-teacher ratio had already fallen by 1.46 students per teacher district-wide. Reducing class sizes further will yield diminishing returns, which is especially true because ASD's class size safely falls within the "ideal" ratio of 15 to 18 students per

¹⁰ National Center for Education Statistics. "Anchorage School District." https://nces.ed.gov/ccd/districtsearch/district_detail.asp?Search=2&DistrictID=0200180&ID2=0200180&details=

¹¹ National Center for Education Statistics. "CCDData Files." <https://nces.ed.gov/ccd/files.asp#Fiscal:2,LevelId:5,SchoolYearId:34,Page:1>

¹² Anchorage School District. "2022-23 Preliminary Budget." [https://go.boarddocs.com/ak/asdk12/Board.nsf/files/CBC3Q207E6E4/\\$file/FY23%20Budget%20Book.pdf](https://go.boarddocs.com/ak/asdk12/Board.nsf/files/CBC3Q207E6E4/$file/FY23%20Budget%20Book.pdf)

teacher.¹³ Even if the number of teachers did not increase from the 2020–2021 school year, the student-teacher ratio would still have fallen to 16.41 for 2021–2022. Although reducing class sizes further is a worthy goal, it may not be the best use of funds — especially using one-time federal funding.

Although many other ASD expenditures are for virtual classes, summer school, or otherwise temporary teachers, some portion of this \$19.1 million will need to be repeated yearly — from a combination of local, state, and federal sources — unless some staff is to be let go and class sizes are to rebound to their pre-pandemic levels.

Fairbanks North Star Borough School District

The Fairbanks North Star Borough School District reports an enrollment of 12,347 students on its dashboard.¹⁴ In total, the district received \$36.4 million, of which it has spent \$11.9 million as of May 3, 2022. The district was awarded **\$2,947 per student** and has spent only \$967, meaning that 67% of the district’s funding remains to be spent.

Of the funds already spent, 31% (\$3.5 million) went toward certificated salaries, 25% (\$2.8 million) toward employee benefits, and 20% (\$2.3 million) toward non-certificated salaries. Another substantial account was 16% (\$1.7 million) for supplies, materials, and media.

¹³William Mathis. “Research-Based Options for Education Policymaking: The Effectiveness of Class Size Reduction.” *National Education Policy Center*, June 2016. <https://nepc.colorado.edu/sites/default/files/publications/Mathis%20RBOPM-9%20Class%20Size.pdf>

¹⁴Alaska Department of Education and Early Development. “Fairbanks North Star Borough School District: COVID-19 Federal Relief Funding Dashboard.” <https://app.smartsheet.com/b/publish?EQBCT=99ac02a4ab9e4f00a5810df66a930d42>

Of particular note is a budget allocation of \$30,000 in professional and technical services to:

... contract with a media production company to run a comprehensive, multi-channel student recruitment campaign **encouraging families who un-enrolled in 2020-2021** [emphasis added], or new families to enroll. Increasing student enrollment will help maintain operations, continuity of services, and continue to employ existing staff.

Is it fair for school districts to spend federal funding to maintain their near-monopolies over education? Although the staff is certainly negatively affected by declining enrollment, employing staff where there are not sufficient students to support them is purposeless, especially when Alaska’s teachers may be needed elsewhere. The district ought to lure back students by providing a high-quality, in-person education free from divisive practices.¹⁵ Spending federal funds that ought to be used to remedy learning losses on an advertising campaign is frivolous at best.

Matanuska-Susitna Borough School District

The Matanuska-Susitna Borough School District (MSBSD) reported enrollment of 19,443 students on its district dashboard.¹⁶ The funding awarded amounts to **\$3,028** per student, for a total of \$58.9 million. As of May 3, 2022, the district has spent only \$1,103 per student, totaling \$21.5 million. 64 percent remains to be spent.

¹⁵Emma Dorn, Bryan Hancock, Jimmy Sarakatsannis, and Ellen Viruleg. “COVID-19 and education: An emerging K-shaped recovery.” *McKinsey & Company*, December 14, 2021. <https://www.mckinsey.com/industries/education/our-insights/covid-19-and-education-an-emerging-k-shaped-recovery>

¹⁶Alaska Department of Education and Early Development. “Matanuska-Susitna Borough School District: COVID-19 Federal Relief Funding Dashboard.” <https://app.smartsheet.com/b/publish?EQBCT=048551f92ac94f009826af4f80950e50>

Of expenditures so far, 40% (\$7.9 million) has gone toward certificated salaries, 21% (\$4.1 million) toward benefits, and 4% (\$728,666) toward non-certificated salaries. 24% (\$4.7 million) has been used for supplies, materials, and media.

To contrast, the Fairbanks North Star Borough School District put 31% (\$3.5 million) to certificated salaries, 25% (\$2.8 million) to benefits, and 20% (\$2.3 million) to noncertificated salaries. Larger in both proportion and dollar amounts is ASD, which put 43% (\$17.6 million) to certificated salaries, 18% (\$7.3 million) to benefits, and 5% (\$2.1 million) to non-certificated salaries.

One expenditure of note under the CRRSA grant is MSBSD's training of some teachers in evidence-based early literacy instruction.¹⁷ Specifically, \$103,920 has been budgeted to contract with Voyager Sopris to "facilitate 4-8 Days [sic] of virtual and in-person flexible training. Training topic is LETRS 3E Units 1-8 for 2 Cohorts of 40 (80 Teachers and instructional coaches total)."

Language Essentials for Teachers of Reading and Spelling (LETRS) is a professional development program designed to train teachers in early reading techniques. Mississippi, a state that has seen remarkable improvements since its early literacy program passed in 2013, ensured teachers were trained in the science of reading using LETRS in 2014–2015.¹⁸ Two years later, a study

¹⁷Sarah Montalbano. "Intensive Teacher Training: Science-Based Instruction to Help Alaska's Students." *Alaska Policy Forum*, March 24, 2022. <https://alaskapolicyforum.org/2022/03/intensive-teacher-training-science-based-instruction-to-help-alaskas-students/>

¹⁸The Nation's Report Card. "Mississippi Overview." https://www.nationsreportcard.gov/profiles/stateprofile/overview/MS?cti=PgTab_OT&chort=1&sub=RED&sj=MS&fs=Grade&st=MN&year=2019R3&sg=Gender%3A%20Male%20vs.%20Female&sgv=Difference&ts=Single%20Year&tss=2019R3&sfj=NP

found that, in literacy-support schools where all teachers had participated in LETRS, the quality of instruction increased from the 31st percentile to 58th percentile.¹⁹

It is surely good news that 80 MSBSD teachers will have a better understanding of the science of reading and be better prepared to implement its lessons in their classrooms. The knowledge imparted by the LETRS training will be used to help students struggling with early reading skills not only in response to pandemic learning losses but also in perpetuity – indeed, for as long as some of these 80 teachers continue teaching in the district.

Other School Districts

Smaller school districts received proportionally less funding and seemed more disposed to using it in a frivolous manner – or at least with weaker ties to pandemic recovery. Although districts frequently submitted budgets for justifiable COVID expenses, such as new HVAC systems, hand sanitizer, and new and replacement technology, some budgets are not fiscally responsible, and many are only loosely related to the COVID pandemic. Some proposals seem to reflect long-standing issues with facilities that needed fixing regardless of the pandemic. All figures and quotes in this section are from the Alaska Grants Management System.

Employee benefits were a somewhat frequent use of funds in smaller districts, no doubt because recruiting and retaining staff in rural areas

¹⁹Jessica Sidler Folsom, Kevin G. Smith, Kymyona Burk, and Nathan Oakley. "Educator outcomes associated with implementation of Mississippi's K–3 early literacy professional development initiative." *Making Connections*, April 2017. <https://files.eric.ed.gov/fulltext/ED573545.pdf>

presents unique difficulties. The Delta-Greely School District budgeted a 5% incentive pay bonus for certificated staff and a 2.5% incentive pay bonus, at respective total costs of \$180,824 and \$51,967. Benefits for both programs total \$101,349. Although bonuses are fiscally responsible in theory (provided they are one-time, or otherwise based on working hours), federal funding put toward bonuses are funds that can't be spent directly helping students.

Creative staff benefits were established in smaller districts using federal funds. The Kodiak Island Borough School District allocated \$5,000 for "supplies to support employee health and wellness," which included examples of acceptable uses such as "basic activity equipment, fitness tracking apps, nutrition or weight loss apps, and meditation programs." Another \$10,000 was budgeted for "fees for employees to attend local health and fitness clubs of their choice." Nome Public Schools budgeted \$5,000 for recruitment sign-on bonuses of \$500 each for hard-to-fill positions. Although the 2020 pandemic brought health concerns for many people, choices to spend money on health and wellness programs and memberships are best left to employees, rather than being subsidized by a school district.

Several districts decided a prudent use of funds was to purchase sporting equipment, ostensibly for students' physical and emotional health. Delta-Greely School District purchased \$10,000 in cross-country skiing equipment for the junior high school. The Haines Borough School District spent \$7,000 on ski boots, \$1,650 on new wrestling uniforms, \$1,000 on golf lessons and a league for students, and \$825 on water bottles "to promote health and wellness during indoor and outdoor

exercise and activities." Haines also budgeted \$14,775 for "Rental of Haines Pool in order to keep students physically and mentally healthy."

Motivational speakers and conferences were common themes. The Haines Borough School District budgeted \$8,226 for Nick Hanson, also known as the Eskimo Ninja, to "provide mental health services and supports."²⁰ Haines also spent \$25,000 on motivational speaker Jesse LeBeau, who made his in-person appearance earlier this year with additional virtual presentations.²¹ Nome Public Schools budgeted \$12,500 to cover the travel expenses of "five staff members to attend Trauma-Sensitive Schools Conference in Houston TX February 20-22, 2022."²²

While some districts have subsidized school supplies and other routine expenditures for their students, others are using the federal funds to experiment with new programs. The Lower Yukon School District, as part of career and technical education, budgeted \$1.0 million for "new supplemental elective classes (woodshop, engine repair, weekend classes, cooking classes, sewing classes)," as well as some after-school tutoring. Imparting a dose of sage advice with which any teacher would concur, the budget also provides for "snacks for students attending the tutoring" because "(no snacks = no kids in attendance)."

²⁰EskimoNinja. "Home." <https://theeskimoninja.com/>

²¹Corinne Smith. "Haines School hosts motivational speaker Jesse LeBeau on overcoming doubt and inspiring confidence." Listen Live 24/7, February 1, 2022. <https://khns.org/haines-school-hosts-motivational-speaker-jesse-lebeau-on-overcoming-doubt-and-inspiring-confidence>

²²Attachment & Trauma Network. "Creating Trauma-Sensitive Schools Conference." <https://www.attachmenttraumanetwork.org/conference/>

Perhaps one of the most sticker-shocking expenditures, however, was related to pandemic restrictions in rural villages. The Lower Yukon School District budgeted \$500,000 for charter planes to transport teachers for August in-service days in 2021–2022. The reason? Many villages still had a mandatory two-week quarantine to enter, but passengers on chartered flights were exempt, thus providing only one option for teachers to get to work right away.

In fairness, some districts found quite worthwhile uses of their funds. A pilot program in Copper River School District, for example, but rather budgeted \$10,000 for English language arts pilot programs during each quarter of fiscal year 2022.

Conclusion

COVID-related federal relief funds allocated to Alaska's school districts have largely gone toward prudent investments in technology, supplies, capital projects, and professional development supporting health, connectivity, and recovery from learning losses during the pandemic. However, districts often found weak justifications to pursue capital projects that may have been necessary for quite a long time.

Furthermore, some particularly frivolous expenditures were noted in smaller districts. Although these amounts may seem small compared to the millions of dollars allocated to school districts, each dollar squandered is a dollar not spent directly helping students.

Districts also took the opportunity to balance teacher-student ratios by hiring new teachers with COVID relief funding, as well as hiring temporary staff. Unless these expenditures are maintained each year (through local, state, or other routine federal sources), positions will have to be cut when the federal windfall is gone. Funding ought to be put toward solutions that reduce learning losses and do not represent ongoing burdens to districts or the state.

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