

United States Senate

WASHINGTON, DC 20510

September 24, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
H-232, U.S. Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
H-204, U.S. Capitol
Washington, D.C. 20515

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi, and Minority Leader McCarthy,

As Congress negotiates a fourth supplemental appropriations package in response to the COVID-19 pandemic, we respectfully request that you include strong maintenance of effort and maintenance of equity provisions to ensure states and districts do not impose damaging budget cuts on high poverty districts and schools that will exacerbate already significant equity gaps in public education. In addition, a requirement to report on the impact of any cuts that do occur on students and educators of color will ensure the public is more informed, and better able to protect and support these students going forward. It is critical that Congress ensures that states do not abdicate their responsibility to provide an equitable education to all students during this time of instability and crisis, especially for those who are from historically underserved backgrounds and at increased risk of learning loss.

The recession induced by the COVID-19 pandemic and the Trump Administration's failure to adequately prepare for and respond to the crisis has, and will continue to, decimate State and local educational budgets. States' costs are rapidly rising as they seek to contain the virus, while their revenues continue to plummet.¹ According to the Center on Budget and Policy Priorities (CBPP), the pressures on state and local finances from the pandemic and resulting economic fallout are mounting quickly and will soon become severe.²

CBPP estimates that states are facing a projected revenue shortfall of \$555 billion over the next three fiscal years. These shortfalls will have substantial consequences for education funding. The Learning Policy Institute (LPI) projects that, in this fiscal year alone (FY 2021), a decline of 20 percent in total revenue would mean a nationwide loss of \$150.8 billion in K-12 education funding.³ This estimate does not factor in the cuts experienced last fiscal year or given the severity of the economic downturn, the cuts that could likely occur in fiscal year 2022.⁴

¹ <https://www.cbpp.org/research/state-budget-and-tax/states-need-significantly-more-fiscal-relief-to-slow-the-emerging-deep>

² *Ibid.*

³ <https://learningpolicyinstitute.org/blog/covid-19-and-school-funding-what-expect-and-what-you-can-do>

⁴ *Id.*

As we have learned from the 2008 recession, high poverty school districts are more likely to be impacted by losses in state revenues.⁵ Research shows that states offset revenue losses during the 2008 recession by cutting K-12 education spending and relying on federal stimulus funds to backfill these cuts. Cuts were worse for high poverty districts which are more reliant on state education aid. As a result, the funding gap between low-poverty and high-poverty districts more than tripled, and the downturn created an “unprecedented decline in public school funding fairness.”⁶ Further, decreases in funding from the last recession have been linked to declines in student achievement, widening achievement gaps, and decreased college-going rates, demonstrating how education budget cuts limit opportunities for students to succeed and hamstring improvements in our nation’s educational system.⁷

Moreover, State education funding cuts were worst for high poverty districts.⁸ As a result, overall the funding gap between low-poverty and high-poverty districts more than tripled, and the downturn created an “unprecedented decline in public school funding fairness.”⁹ Because high poverty school districts disproportionately depend on state funding to meet the needs of their students, the consequences of state disinvestment will be devastating to students from low-income backgrounds and students of color. Research shows that high-poverty districts in our country receive about \$1,000 less per student than lower poverty districts, and high poverty districts with the most students of color receive \$1,800 less per student.¹⁰ Nationally, there is a \$23 billion racial funding gap between school districts that serve predominately white students and school districts that serve students of color.

Fiscal equity guardrails, including maintenance of effort and maintenance of equity provisions, should be included in the next stimulus package to help ensure better educational equity during and after the COVID-19 pandemic recession. Under the CARES Act, the maintenance of effort provision requires states to maintain support for K-12 and higher education in fiscal years 2020 and 2021 equal to the state’s average support over the prior three fiscal years. However, the Secretary of Education is provided the authority to waive the maintenance of effort requirement if states have “experienced a precipitous decline in financial resources.”¹¹ This provision is not enough to maintain state support for education. In the coming months and years, there will be immense pressure on States to cut from school funding in order to fund other line items in their budgets. Congress should ensure that States are not allowed to severely or disproportionately cut funding from education. Instead, States should be encouraged to pursue progressive tax policy, reduce spending on mass incarceration, eliminate corporate subsidies, and

⁵ <https://www.chalkbeat.org/2020/4/7/21225437/school-budgets-are-in-big-trouble-especially-in-high-poverty-areas-here-s-why-and-what-could-help>

⁶ <https://epaa.asu.edu/ojs/article/view/1721>

⁷ <https://journals.sagepub.com/doi/full/10.1177/2332858419877431>

⁸ <https://edbuild.org/content/23-billion>

⁹ <https://epaa.asu.edu/ojs/article/view/1721>

¹⁰ https://edtrust.org/wp-content/uploads/2014/09/FundingGapReport_2018_FINAL.pdf

¹¹ Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, § 18008 (2020).

examine other measures to support education. It is imperative that federal emergency aid for education is contingent on a strong maintenance of effort that requires States to continue their investment in education at spending levels prior to the COVID-19 pandemic.

While all school districts are struggling to provide high-quality education to all students, longstanding and inequitable funding gaps experienced by high poverty school districts and school districts serving high concentrations of students of color exacerbate the challenges of supporting all of their students amidst the COVID-19 pandemic. Recognizing that some states may be forced to reduce spending during these challenging times, states that do so should only cut education funding in way that shields the highest poverty, lowest wealth districts from harmful or disproportionate cuts. According to calculations from the Education Trust, if the nation experiences the kind of state budget cuts that experts are predicting over the next few years, structuring them in this progressive way could protect the highest poverty districts from roughly \$5 billion in state cuts in a single year, relative to a flat across the board percentage cut. Therefore, a strong maintenance of equity requirement is necessary to prioritize services provided to students from low income families and students of color and mitigate the harm of the COVID-19 pandemic on their educational opportunities and achievement.

Ensuring states do the right thing is necessary but not sufficient. Congress must also ensure that school districts do their part to shield the highest need schools in their districts from additional cuts to staff and funding. Within-district funding inequities were a problem before the pandemic. Again, the Great Recession teaches us that without an intentional focus on equity, the consequences – in terms of educator layoffs and hiring freezes – will be worse for historically underserved students and for educators of color, who are overrepresented amongst novice teachers. For example, in the first two years of recession induced layoffs in Los Angeles, Latino elementary students had 26 percent greater odds of having their teacher laid off than their white peers; Black elementary students 72 percent greater odds of having their teacher laid off.¹² Therefore, a local maintenance of equity requirement is also necessary to ensure that districts do not ask their most vulnerable students or educators of color to bear the brunt of these difficult budgetary decisions.

The vast majority of educational equity issues that plagued our nation prior to the pandemic have only been exacerbated by COVID-19. In addition to robust federal financial assistance, fiscal equity guardrails can help to mitigate these negative effects. We urge you, as you negotiate coronavirus response legislation, to address systemic inequality by to including strong maintenance of effort and maintenance of equity provisions discussed in this letter. We thank you for your consideration of this request.

Sincerely,

/s/Cory A. Booker
Cory A. Booker
United States Senator

/s/Elizabeth Warren
Elizabeth Warren
United States Senator

¹² <https://journals.sagepub.com/doi/10.3102/0013189X16670899>

/s/Christopher S. Murphy
Christopher S. Murphy
United States Senator

Chris Van Hollen
Chris Van Hollen
United States Senator

/s/ Sherrod Brown
Sherrod Brown
United States Senator

/s/ Richard Blumenthal
Richard Blumenthal
United States Senator

/s/Jeffrey A. Merkley
Jeffrey A. Merkley
United States Senator

Robert P. Casey, Jr.
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Michael F. Bennet
Michael F. Bennet
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