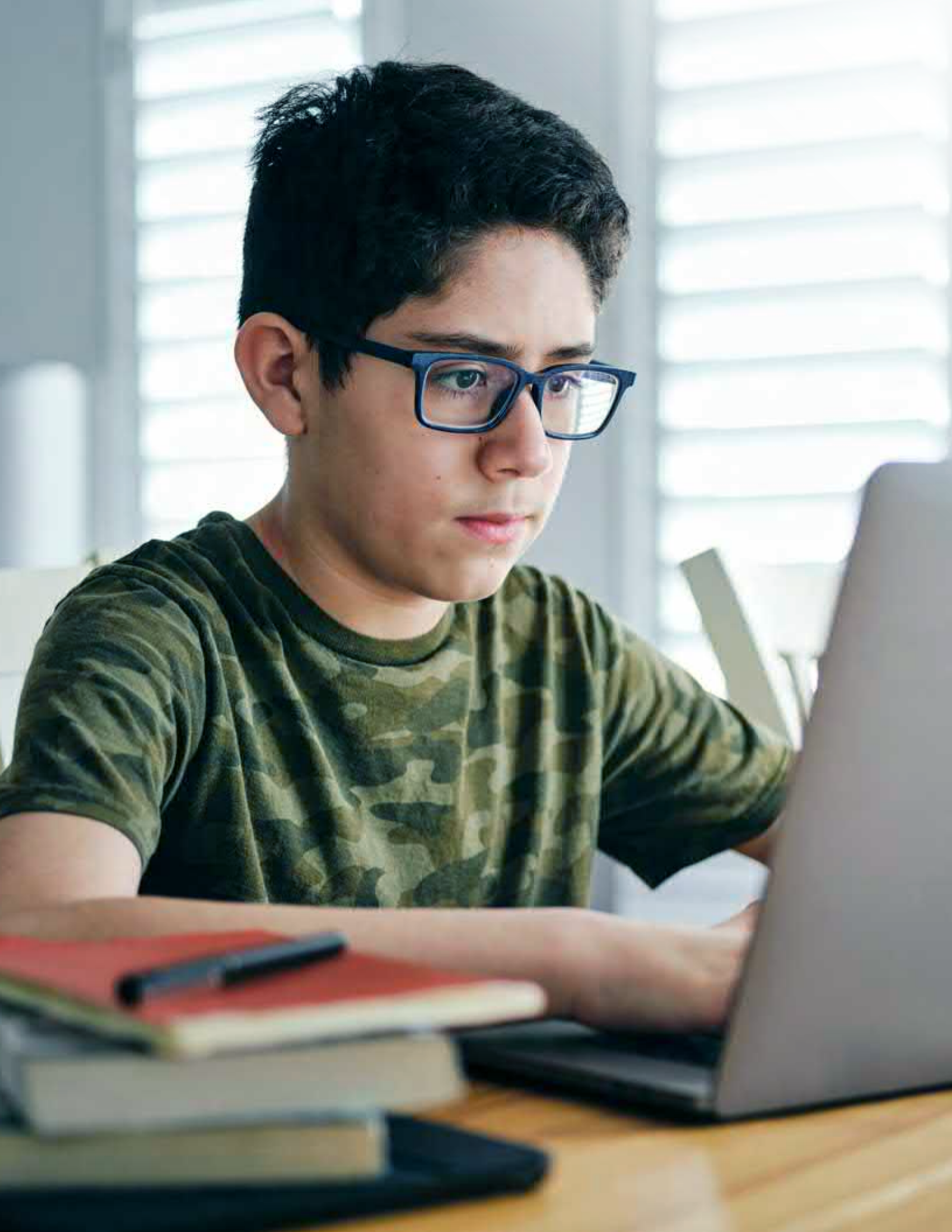


US K-12 public education:

COVID-19 and
the associated
economic crisis

EY-Parthenon Education sector



Introduction

The nation's public K-12 education system, composed of approximately 14,000 independent school districts, is confronting challenges associated with the COVID-19 crisis in a wide variety of ways. The current crisis highlights structural and performance differences between districts, and it also creates significant pressure on states and districts across several common dimensions:

- ▶ Supporting student learning while addressing issues of **equity** and **access**
- ▶ Providing **technology solutions** and **infrastructure** to support remote learning and operations
- ▶ Securing sources and absolute **levels of funding**
- ▶ Navigating autonomy and **governance relationships** between state and local education authorities

While higher education institutions rapidly closed campuses and instituted remote learning, most K-12 systems found themselves navigating challenging and uncharted territory with limited information and little time to prepare for closures. It was not until major districts closed and state governors stepped in that schools shut down en masse. Even so, communication to families, access to devices and resources to support remote learning, and school reopening projections varied widely from district to district within a state, and even between schools within some districts. With few fully equipped to support remote student learning, many districts were effectively shut down in mid-March as they explored options and developed remote instructional plans and materials.

As of mid-April, most districts are now moving forward with some version of remote delivery, often using commercially available collaboration tools as the foundation. This makeshift remote learning solution should not be confused with best-in-class online courseware, delivery infrastructure and supporting services, but it will likely remain the solution for the rest of the 2019-20 school year – and potentially into the 2020-21 school year.

As the school year closes, states and districts will continue to face myriad challenges over the coming weeks and months. Yet, they must start to plan for how to deliver instruction and drive student learning in a complex and ever-changing situation. Given this unknown, schools, states and districts will be contemplating a variety of scenarios for the next school year and beyond.

What to anticipate?

In these uncertain times, discerning “what is next” for K-12 education requires some speculation. Regardless of when the threat of COVID-19 subsides, states and districts will need to help their students and families regain some level of “normalcy” in the near and long term. Students will have been learning outside of their normal classroom setting for an extended period of months and may face delayed or interrupted schooling in the fall. As we consider the remainder of this school year and start to look toward the 2020-21 school year, here are a number of developments that we anticipate.

Standards, access and equity: Chief Administrative Officer (CAO) agenda

This school year, will see several “lost” months that are unlikely to be recovered. Districts are being forced to truncate the core curriculum – de facto choosing which standards to focus on and which to defer. In addition to the lost learning time, K-12 educators will no longer have access to summative assessment results to evaluate student performance against state and national standards, given that the U.S. Department of Education has approved state requests to waive this year’s summative assessments.¹

The move to remote learning has already highlighted the technical and pedagogical challenges of providing accessibility and accommodations in remote learning (as opposed to purpose-built online curriculum). Equity issues are starkly apparent as disparities in bandwidth and device access have become clear. And for younger students, particularly those in grades K-6, remote learning relies heavily on having an adult in the home who has the time, language skills and level of education to support the student’s learning. At a minimum, it appears that the achievement and opportunity gap will face short-term exacerbation.



Anticipate:

- ▶ Need for significant English Language Arts (ELA) and math review or remediation across the majority of students, many of whom will experience a combined “spring/summer melt”
- ▶ Stressed instructional staff with limited preparation for either high levels of ELA and math review, remediation or continued remote learning
- ▶ Access and equity pressures brought to the forefront by lost school weeks and ad hoc remote learning, including:
 - ▶ Significant gaps in normal services provided, and thus academic progress, among high-need student populations (students with disabilities, English language learners, etc.)
 - ▶ Students with home situations that may delay or interrupt their ability to return to schooling in the fall
 - ▶ Inaccessible nutrition programs for students who are no longer able to come to school
- ▶ Parents in confusion over the progress and status of their child’s academic progression, particularly around seminal transition points (e.g., third grade/middle/high-school progression, Advanced Placement/International Baccalaureate (AP/IB) classes, graduation)



Technology solutions and infrastructure: (CIO/CTO) agenda

The role of the Chief Information Officer/Chief Technology Officer in a school district is often one that goes unnoticed until there is a major outage, or a failed technology rollout. Over the last few weeks, many CIOs and CTOs have found their roles shifting from “keeping the trains running on time” to “building new train tracks and stations as quickly as possible” – and often from their own home kitchen tables. District leaders have turned to them with short timelines to help keep students learning, teachers connected and the administration functioning – all remotely and rarely with sufficient devices, security or support to effectively manage such an effort.

Anticipate:

- ▶ Inevitable need to migrate from interim to long-term remote education solutions/platforms
- ▶ Challenges acquiring, distributing, accounting for and supporting technology²
- ▶ Issues associated with remote tech support
- ▶ Short-term bandwidth and system load issues as technology infrastructures reach historically high use levels
- ▶ Data security and privacy concerns
- ▶ Cyber attacks and threats to student online safety on less secure systems

Examples of budgetary pressure

New York: The state is expected to lose \$15 billion, more than 8% of revenue and twice as much as what the state projected two weeks ago.

Idaho: It was announced that the state has already lost more than \$40 million in tax revenue this quarter; it has ordered state agencies, including the public-school system, to cut 1% of their budgets.

Georgia: Legislators have called off a teacher pay raise and have already cut \$159 million out of a \$1.45 billion overall education budget amid slowing revenue projections.

Tennessee: Governor Bill Lee cut in half the amount of money set aside for teacher pay raises and got rid of a \$250 million proposal to provide mental health services in schools, putting the money instead in the state's emergency fund to help deal with COVID-19.

Funding: Chief Financial Officer (CFO) agenda

School districts are likely to face fiscal pressure on two fronts: reduced tax revenues and competing priorities driving the need for funding trade-offs.

Reduced revenues: While funding proportions differ by state and district, schools are broadly funded by approximately 45% local, 47% state and 8% federal sources.³ State funding for K-12 education continues to recover from the Great Recession, and state revenues, which are more reliant on sales and income taxes, tend to be more volatile than property tax-dependent local revenues.⁴

However, unlike the Great Recession, states and local municipalities must respond to the financial needs of other sectors (e.g., health and safety) that will have substantially increased expenses as a result of the crisis. As the effects of the pandemic carry through the fall, the impact will likely be more severe in high-poverty districts that are more reliant on state versus local funding.⁵

Trade-offs: As districts are contending with likely budget reductions, they will also be faced with new and different needs from students and staff. These may range from the need for more intensive support for students who fall further behind due to a lack of home connectivity or because their individual needs could not be met remotely, to new forms of professional development for teachers now planning and delivering instruction in totally new and different ways. While the range of needs that result from the current COVID-19 situation may not yet be clear, addressing just the needs preliminarily identified will likely require districts to shift resources to cover new initiatives and supports.

If history is a guide, the federal government is likely to step in with additional substantial aid for K-12 public education. While the Coronavirus Aid, Relief, and Economic Security (CARES) Act includes ~\$13.5 billion in funding for K-12 education, the 2009 American Recovery and Reinvestment Act injected more than

\$75 billion into US K-12 education.⁶ Yet even if an injection of similar size were to occur now, it is unlikely to sufficiently offset anticipated reductions in state and local funding or address the greater disparities already prevalent in high-poverty, lower-performing districts.

Anticipate:

- ▶ An evolving budget modification process at the local, state and federal levels as more information becomes available; this may reveal challenges over time, including:
 - ▶ Significant budget challenges in districts that are heavily reliant on state revenues and/or local sales and income taxes
 - ▶ A lack of clarity regarding timing, allowable uses and amount of federal funding to be made available
 - ▶ The need for flexible planning to support a variety of possible learning scenarios during the 2020-21 school year (e.g., return to normal, extended virtual, hybrid)
- ▶ Fiscal pressures driving the development of flat budgets as a best-case scenario, including:
 - ▶ Lower turnover, which, in turn, raises total payroll costs
 - ▶ Potential funding "clawbacks" from municipalities/states in anticipation of fiscal deficits next year
 - ▶ A push to revisit costs, or take a "zero-based budget" approach, and consider options that enable the same or similar levels of service at a lower cost (e.g., through outsourcing, renegotiated vendor contracts, shared services)
 - ▶ A potential need to delay or reconsider negotiated raises or other aspects of current collective bargaining agreements



Governance (state, superintendent and board agenda)

District governance today is a largely local affair, with state departments of education typically playing a more meaningful role in lower-performing districts. Yet, given the stark differences in districts' initial responses to, and subsequent preparedness for, a COVID-19-like crisis, many governors ultimately stepped into the decision-making and mandated school closures statewide. Later, even the federal government weighed in, effectively canceling summative assessments and providing school districts with increased flexibility through a range of waivers.

Anticipate:

- ▶ State departments of education seeking to leverage learnings from this experience to develop emergency remote learning plans, infrastructure and statewide protocols to maintain continuity and a threshold educational quality in a future disruption
- ▶ Rising tensions around decisions formerly left to districts that the crisis has consolidated at the state level
- ▶ Short-term dislocation and confusion as local school boards, city governments, state departments of education and regulators begin to fully understand and respond to the issues that schools, districts, educators and families are facing on the ground

Examples of state virtual learning initiatives

Florida: The Florida Department of Education is leveraging the existing Florida Virtual School to provide school districts with resources, including free courses, teacher training, technical support and placement.

Georgia: The Georgia Department of Education has released a detailed planning document that outlines considerations districts should make and resources available (e.g., teacher trainings, open educational resources (OERs)). The state is using its virtual school program to provide additional support to students with more limited access via local districts.

What are actions for consideration?

At this point, most districts have moved to some form of remote learning and remote operations for the remainder of 2019–20. As they finish out the school year, they will turn their attention toward resiliency planning and preparations for the 2020–21 school year, and, by late fall, with at least one foot upon terra firma, districts may be able to start planning for the longer-term future once again.

Actions for Now:

Maintaining continuity of education operations

Most districts have already enacted steps to maintain some continuity of student learning for at least the coming weeks.⁷ While far from ideal, remote learning is underway, staff are secure and are working remotely, and the provision of core learning services and operations continues in basic forms. The immediate two to three months will remain a challenging period for all stakeholders at all levels of a school system, and, for most districts, there will be limited opportunity during this period to course-correct or make major changes to whatever tenuous systems a district currently has in place. Districts that have the bandwidth to do so will best serve student learning by supporting faculty with proactive coaching and development, sharing leading practices and creating shareable online curriculum and activities.

Next

Building resiliency

As the school year ends, districts may have a chance to take a breath – but they will need to quickly shift focus and resources to shoring up the structures they rapidly put in place. Remote learning structures will need continual enhancement and support, infrastructure will need upgrading, and processes strained by remote staff will need adaptation. Family communication and engagement around how to support their students in retaining learning over the summer, and what to expect for the fall, will be critical. This will be the time to assess how to adjust curriculum and classes, and review resource allocation to provide sufficient flexibility to support students and educators regardless of whether the 2020-21 year brings a return to the classroom, additional remote learning or, most likely, a combination of both.

Beyond

Reframing the future

A crisis of COVID-19 magnitude reveals cracks in the system. As we move toward the future, states and districts will need to re-evaluate their mutual covenants around governance, funding, infrastructure and standards. There will be questions as to whether emergency protocols, redundant systems, distance education and more are best managed locally or executed on a state level. Economic and performance pressures are likely to require effective and efficient usage of resources.

Public education is a hallmark of the American experience. It will endure this crisis and, hopefully, emerge stronger for it.

The tables on pages 7 and 8 highlight and sequences some of the actions that districts will need to take over the next six to nine months. While by no means comprehensive, this table is intended to identify the most critical activities.

1. Standards, access and accountability – CAO agenda	
Anticipate	<ul style="list-style-type: none"> ▶ Need for significant ELA and math review or remediation across the majority of students, many of whom will experience a combined “spring/summer melt” ▶ Stressed instructional staff with limited preparation for either high levels of ELA and math review, remediation or continued remote learning ▶ Access and equity pressures brought to the forefront by lost school weeks and ad hoc remote learning, including: <ul style="list-style-type: none"> ▶ Significant gaps in normal services provided, and thus academic progress, among high-need student populations (students with disabilities, English language learners, etc.) ▶ Students with home situations that may delay or interrupt their ability to return to schooling in the fall ▶ Inaccessible nutrition programs for students who are no longer able to come to school ▶ Parents in confusion over the progress and status of their child’s academic progression, particularly around seminal transition points (e.g., third grade/middle/high-school progression, AP/IB classes, graduation)
Now: Maintaining continuity of education operations (largely complete)	<ul style="list-style-type: none"> ▶ Establish remote learning delivery protocols ▶ Assess which portions of curriculum will be taught balancing: <ul style="list-style-type: none"> ▶ Accessibility ▶ Equity ▶ Deploy professional development (PD) programs to support educators’ remote learning ▶ Assess summer learning and programming scenarios
Next: Building resiliency (late spring and fall)	<ul style="list-style-type: none"> ▶ Plan to diagnose learning losses and remediate for lost time by “doubling down” on ELA and math: ▶ Altered curriculum ▶ Altered schedules ▶ Develop and implement PD to accommodate: <ul style="list-style-type: none"> ▶ Lost PD time in the spring ▶ Continued remote training ▶ Lost observations, coaching ▶ Develop a remote learning nutrition plan
Beyond: Reframing the future (fall and winter)	<ul style="list-style-type: none"> ▶ Develop ability to switch between proximate and remote learning, assuming that: <ul style="list-style-type: none"> ▶ A future crisis will occur ▶ Some students will be remote at any time ▶ Train for/practice online education

2. Technology solutions and infrastructure – CIO/CTO agenda	
Anticipate	<ul style="list-style-type: none"> ▶ Short-term bandwidth and system load issues as technology infrastructures reach historically high use levels ▶ Challenges acquiring, distributing, accounting for and supporting technology ▶ Issues associated with remote tech support ▶ Data security and privacy concerns ▶ Cyber attacks on less secure systems ▶ Inevitable migration from interim to long-term remote education solutions/platforms
Now: Maintaining continuity of education operations (largely complete)	<ul style="list-style-type: none"> ▶ Prepare for immediate remote learning: <ul style="list-style-type: none"> ▶ Technology (instructor and student) ▶ Systems scalability ▶ Collaboration platforms ▶ Remote technical support ▶ Assess vendor/partner risk
Next: Building resiliency (late spring and fall)	<ul style="list-style-type: none"> ▶ Enhance business processes around remote operations (e.g., systems, technology, training) ▶ Upgrade asset management strategy to support remote devices ▶ Scale systems infrastructure ▶ Establish that cybersecurity protocols for altered technology infrastructures are in place
Beyond: Reframing the future (fall and winter)	<ul style="list-style-type: none"> ▶ Invest in online learning infrastructures ▶ Integrate with education delivery and instructional strategy

3.	Funding – CFO agenda
Anticipate	<ul style="list-style-type: none"> ▶ A chaotic budgeting process at the local, state and federal levels, including: ▶ Disproportionate budget allocations in districts that are heavily reliant on state revenues ▶ Lack of clarity regarding timing and size of federal funding to be made available ▶ The need for flexible versus static planning (e.g., return to normal, extended virtual, hybrid) ▶ Fiscal pressures to offer “level-services” budgeting as a best-case scenario, including: <ul style="list-style-type: none"> ▶ Lower turnover, which, in turn, raises total payroll costs ▶ Potential funding “clawbacks” from municipalities/states in anticipation of fiscal deficits next year ▶ A push to revisit costs, or take a “zero-based budget” approach, and consider options that enable the same or similar levels of service at a lower cost (i.e., through outsourcing, renegotiated vendor contracts, shared services) ▶ A potential need to delay or reconsider negotiated raises or other aspects of current collective bargaining agreements
Now: Maintaining continuity of education operations (largely complete)	<ul style="list-style-type: none"> ▶ Understand the impact on cash and budget ▶ Assess cash needs through summer/fall ▶ Plan a scenario for the 2020-21 school year ▶ Prioritize investments
Next: Building resiliency (late spring and fall)	<ul style="list-style-type: none"> ▶ Protect reserves ▶ Freeze hiring to protect against future layoffs ▶ Reduce recurring costs ▶ Delay capital expenditures ▶ Communicate often and clearly with constituents around budget realities (current and anticipated) ▶ High level of contact with state funders ▶ Prepare for insurance/emergency funding requirements
Beyond: Reframing the future (fall and winter)	<ul style="list-style-type: none"> ▶ Examine benefits packages ▶ Drive costs down in relation to activity drivers (the last recession did not see budget declines in relation to activity drivers) ▶ Enhance business disruption planning

4.	Governance – state, superintendent and board agenda
Anticipate	<ul style="list-style-type: none"> ▶ State departments of education seeking to leverage learnings from this experience to develop emergency remote learning plans, infrastructure and statewide protocols to maintain continuity and a threshold educational quality in a future disruption ▶ Rising tensions around decisions formerly left to districts that the crisis has consolidated at the state level ▶ Short-term dislocation and confusion as local school boards, city governments, state departments of education and regulators begin to fully understand and respond to the issues that schools, districts, educators and families are facing on the ground
Now: Maintaining continuity of education operations (largely complete)	<ul style="list-style-type: none"> ▶ Close schools and establish remote working protocols ▶ Preserve the safety of the staff and community (duty of care) ▶ Create a crisis center and communication project management office (PMO)
Next: Building resiliency (late spring and fall)	<ul style="list-style-type: none"> ▶ Prepare for potentially protracted financial pressure ▶ Proactively communicate priorities in anticipation of real investment restrictions ▶ Connect with political leaders to identify emergency funding opportunities in response to the COVID-19 pandemic ▶ Communicate with key political leaders/educate them on the impact of the crisis and the need for relief ▶ Request regulatory flexibility ▶ Develop reopening protocols/checklists
Beyond: Reframing the future (fall and winter)	<ul style="list-style-type: none"> ▶ Work with states to understand roles for crisis management: <ul style="list-style-type: none"> ▶ Closure protocols ▶ Redundant systems ▶ Curriculum truncation ▶ Develop a coherent set of plans for sustained or temporary remote learning: <ul style="list-style-type: none"> ▶ Roles and responsibilities ▶ Funding ▶ Infrastructure ▶ Training

Endnotes

- ¹ U.S. Department of Education Fact Sheet: Impact of COVID-19 on Assessments and Accountability under the Elementary and Secondary Education Act, March 12, 2020.
- ² Competition between districts and states for devices is sharp; see “Coronavirus Squeezes Supply of Chromebooks and iPads,” *Edweek*, April 1, 2020: <https://www.edweek.org/ew/articles/2020/04/01/coronavirus-squeezes-supply-of-chromebooks-ipads-and.html?cmp=eml-enl-tl-news1-rm&M=59253405&U=&UID=d281fba1bcbe3e352c6a43bdac77f76c>.
- ³ 2017 Public Elementary-Secondary Education Finance Data, United States Census Bureau, April 19, 2019: <https://www.census.gov/data/tables/2017/econ/school-finances/secondary-education-finance.html>.
- ⁴ K-12 School Funding Up in Most 2018 Teacher-Protest States, Center on Budget and Policy Priorities, March 6, 2019: <https://www.cbpp.org/research/state-budget-and-tax/k-12-school-funding-up-in-most-2018-teacher-protest-states-but-still>.
- ⁵ “Are High-Poverty School Districts Disproportionately Impacted by State Funding Cuts?,” *Journal of Education Finance*, Fall 2017: <https://muse.jhu.edu/article/688011>.
- ⁶ Emergency Appropriations for Coronavirus Health Response and Agency Operations, U.S. Senate, March 25, 2020: https://www.appropriations.senate.gov/imo/media/doc/DIVB_EMSU.pdf; The American Recovery and Reinvestment Act of 2009: Education and Jobs Reform, U.S. Department of Education, February 18, 2009: <https://www2.ed.gov/policy/gen/leg/recovery/factsheet/overview.html>.
- ⁷ The level of actual remote learning is unclear. A survey by CRPE on district responses to COVID-19 school closures revealed that about 10% to 15% of districts are deploying “remote instruction delivery”; most are provisioning learning packets and other supplemental content. “The Latest From a Nationwide Survey: Districts Continue to Struggle Toward Online Learning,” CRPE, March 28, 2020: <https://www.crpe.org/thelens/latest-nationwide-survey-districts-continue-struggle-toward-online-learning>.



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