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Newsletter

What's Next for PreK-12 Funding? Austerity, Subsistence, or Investment?

With Joe Biden two months away from assuming the presidency, it's goodbye to Education Secretary Betsy DeVos and hello to a new administration. Now in full swing is the parlor game of guessing who the next education secretary will be. But to most educators and their students, what matters even more will be the way in which President-elect Biden and the Congress handle the economic tsunami of COVID-created declines of 10 to 20 percent in state tax revenue, coupled with rising expenses related to implementing safety measures, such as social distancing, while abruptly pivoting to remote learning, requiring new approaches and tools.

A recent NEPC policy memo lays out three possible scenarios for how Congress might handle the impending fiscal cliff faced by our nation's schools:

1. **Austerity:** Minimal federal assistance for schools. As a result, K-12 budgets are predicted to decrease by an average of 16 percent, roughly twice the decline experienced as a result of the 2008 Recession. Schools would lose thousands of teachers; class sizes, already higher than research recommends, would skyrocket; and children would receive less support coping with the trauma of illness and unemployment.

2. **Subsistence:** A federal investment of $175 to $200 billion in PreK-12 education would be just enough to maintain the status quo of insufficiently and inequitably funded schools. Subsistence funding would not cover the additional costs incurred as a result of the pandemic, such as additional resources for remote learning, school meals for elevated number of children experiencing poverty as a result of pandemic-related job losses, reduced class size to maintain social distancing, cleaning and ventilation pro-

tocols designed to provide safe in-person instruction, mental health support to help students cope with the crisis, or extended school hours to compensate for learning loss. Because the pandemic has disproportionately affected low-income communities and people of color, subsistence funding would disproportionately harm Black, Native American, Latinx and low-income students.

3. **Investment:** What if, instead of maintaining an unfair and inadequate status quo, policymakers picked this moment to make a New Deal-style investment that would at the same time lead to unprecedented improvements in education while infusing much-needed cash into the economy? The cost would be above and beyond the $200 billion needed for subsistence. But it would be a fraction of the $4.5 trillion set aside to bolster the financial markets through Treasury funding.

The authors of the policy memo, Frank Adamson, Allison Brown, and Kevin Welner, conclude:

> The enormously expensive bailouts of airlines, financial markets, investors, and other elements of the economy are defended—and are arguably defensible—as necessary to prevent further pain that would be felt by "average Americans" if that larger economy collapses. But many of those average Americans are families with children in public schools. If policymakers choose to let those children sink, taking their futures down with them, then why bother bailing out the businesses that we hope will one day serve them and employ them?

More resources: To see how priorities can be changed to free up funding for research-based investments in education, try the new interactive game, *FundEdInstead*!

NEPC Resources on School Finance and Funding

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