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ABSTRACT

The Coronavirus Aid, Relief and Economic Security (CARES) Act passed by Congress in 2020 included significant aid to state education systems. These included direct aid to K-12 districts and higher education institutions, and funds to be used at the discretion of Governors through the Governor's Emergency Education Relief Fund (GEER). We examine the factors influencing where and how GEER funding was distributed across state K-12 systems and what inequities were introduced in its spending. Using a mixed methods analysis of state GEER spending plans and district-level finance data, we focus specifically on how distribution sought to target schools serving disadvantaged student groups. We find that several state leaders decided to send their GEER funds to school districts via funding formulas, and that some Governors made decisions to direct their GEER funds towards certain student groups. State spending patterns were not strongly related to governor political ideology or the states' existing funding formulas or inter-district resource allocation patterns. We discuss the implications of this policy related to two state case examples, California and New York, and provide insight for future education stimulus funding proposals.

INTRODUCTION

The onset of the COVID-19 pandemic uprooted almost every aspect of economic and social life and was exceptionally challenging to our education systems. Faced with closed schools and businesses, state leaders were forced to deal with expected state budget crises and revenue shortages from the projected economic recession resulting from the pandemic. In 2020, the fiscal effects from COVID-19 were measured to be a $155 billion decline in total state and

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local revenue, down over 5.5 percent from previous projections and continuing into future fiscal years (Auerbach et al. 2020), projecting a potentially more dramatic fiscal impact than the Great Recession (McNichol et al. 2020). Despite a surprisingly swift economic recovery, the pandemic has serious implications for state school finance systems, many of which have yet to recover from the economic impact of the Great Recession in 2008 (Baker and DiCarlo 2020; Leachman 2019). During the onset of the pandemic, governors and state leaders dealt with both the question of how to educate students in this new paradigm, and how to finance new efforts and necessary precautions.

The Coronavirus Aid, Relief and Economic Security (CARES) Act passed by Congress in 2020 provided significant aid to state education agencies to address some of the financial strain placed on state school finance systems. The bill included direct aid to K-12 school districts through the Elementary and Secondary School Emergency Relief (ESSER) fund and to higher education through the Higher Education Emergency Relief (HEER) fund. The CARES Act also allocated funds to be used at the discretion of state governors through the Governor's Emergency Education Relief (GEER) fund. Unlike other elements of the CARES Act funding, which sent funds directly to school districts and colleges/universities, the GEER funds were largely unencumbered. The money, sent to governors, or their designated executive agency, was purposed to provide sub-grants to Local Educational Agencies (LEAs) and Institutions of Higher Education (IHEs) that were "most significantly impacted" by COVID-19 and to support "on-going functionality" of entities. Funds could also be directed to non-public education-related entities that were "deemed essential" to emergency educational services through the pandemic (US Department of Education GEER FAQ 2020). The two subsequent pandemic-related federal stimulus packages included smaller amounts of flexible funds for state governors' offices (US Department of Education 2022).

The $2.89 billion GEER fund was distributed to states based on a formula weighted 60 percent towards the statewide resident population for ages 5 to 24, from 2018 Census data and 40 percent towards the Title I, Part A formula count from the fiscal year 2020. For a state to gain access to GEER funding, a governor submitted an application to the U.S. Department of Education detailing how they intended to spend the money across K-12, higher education, and other education-related entities. Upon receipt of the plan, the Department distributed the funds to the state, with most funds distributed between April and June of 2020. 45 days after receipt of the funds, the state was required to submit a narrative based 'Initial Report' further outlining the state's plan to allocate GEER money. Figure 1 shows a timeline of CARES Act implementation and subsequent stimulus bills.

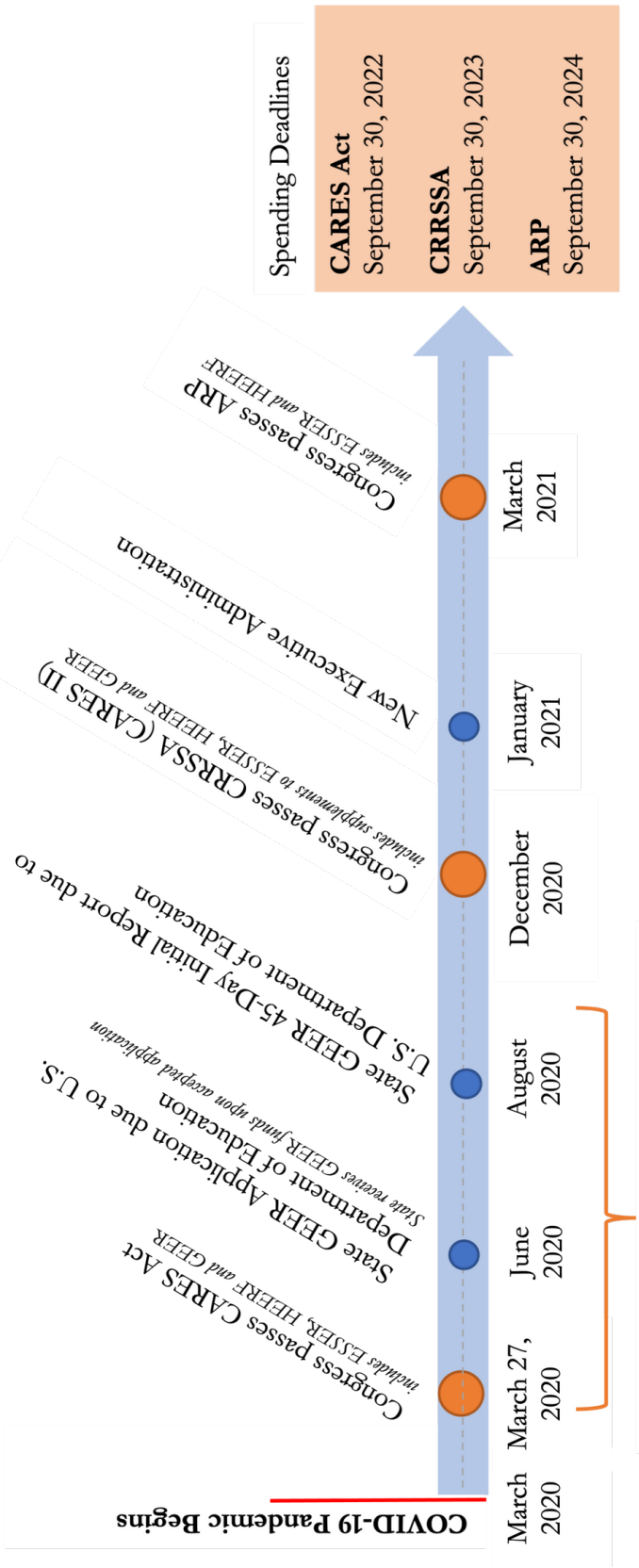


Figure 1: Timeline of Federal Education Stabilization Fund Programs

The CARES Act granted substantial flexibility in determining how GEER funds could be allocated. The state governor was the ultimate decision maker in what proportion of their GEER fund to allocate to K-12 school districts, higher education institutions, and/or non-governmental entities, and how to prioritize funding. Given the extraordinarily flexible nature of this funding, how state governors and executive branches chose to allocate these funds, and how they prioritized different educational needs, is an open question. While emerging research explores how states prioritize educational needs during the COVID-19 pandemic, greater understanding of resource allocation decisions and priorities—and factors underlying these processes—would help inform future stimulus and intergovernmental grant programs.

This article examines the factors influencing where and how GEER funding is distributed across state systems of education and what inequities are introduced or persist in GEER fund distributions. The design of the policy provides a unique opportunity to assess the educational priorities of state executive branch policymakers through analysis of state leaders' spending decisions. Specifically, given racial and economic inequities documented in recent education finance and policy literature (EdBuild 2019; Reardon et al. 2019; Sosina and Weathers 2019), we seek to examine the way in which Governors' decisions about the distribution of GEER funds impact students of color and low-income students as well as English learners and students receiving special education services. To our knowledge, this study is the first to analyze GEER spending data in and across states. The following research questions guide our inquiry:

1. What funding mechanisms or formulas did states use to allocate GEER funds?
2. What student characteristics are associated with higher per-pupil GEER funding?
3. To what extent are state GEER funding patterns associated with state political ideology or existing state and local education funding?

Analysis shows that states chose to allocate their GEER funding in distinct ways, with over half of states deciding to send a majority of their funds to LEAs via funding formulas. When analyzing states that used funding formulas to allocate GEER funds to school districts, we find that some governors directed GEER funds based on the student demographics of school districts, such as poverty levels, special education students, and English language learners. Lastly, we find that these spending patterns were not strongly related to governor political ideology or the progressivity of states' existing funding formulas or inter-district resource allocation patterns.

Below, we explore literature related to our research questions, then discuss the data and methods used and our findings. We present a case study analysis of

how two states, California and New York, used their GEER fund differently. We end by presenting a discussion with policy implications for future emergency education aid programs and a conclusion.

LITERATURE REVIEW

Three areas of research inform this study, drawing from school finance, politics of education, and political science literature. First, we synthesize research on school finance policy during the Great Recession. We then turn to literature that examines the politics of school finance policy related to party politics and ideology. Lastly, we cover executive decision-making and the role of state governors in guiding school funding and leadership policy reform.

EFFECTS OF THE GREAT RECESSION ON SCHOOL FINANCE

The COVID-19 pandemic was not the first crisis in recent history that necessitated the disbursement of federal emergency education aid. Following the housing market crash and Great Recession of 2008, the American Recovery and Reinvestment Act (ARRA) channeled fiscal relief to state education systems through a State Fiscal Stabilization Fund and expansion of targeted education funding including Title I and IDEA support, and the introduction of competitive grants which preceded the Obama-era "Race To The Top" policy. The State Fiscal Stabilization Fund (SFSF), a one-time appropriation to state governors, was the largest portion of education funding in ARRA. The purpose of these funds was to help stabilize state education and school district budgets to minimize reductions in education services. The SFSF policy regulations required that funds be allocated to elementary and secondary education according to the existing state funding formula. Several studies have sought to evaluate the effectiveness and impact of the SFSF. At a state level, scholars found that New York distributed the funding in a way that was effective in creating a stopgap for immediate state budget cuts (Chakrabarti and Livingston 2013). At a national level, there is disagreement on the program's long-term impact. While some find that the SFSF was effective in achieving its goal of offsetting losses of state revenue (Evans et al. 2019), others highlight (a) the precarious position imposed on state budgets after the funding dried up, leading to deeper budget cuts to K-12 education (Anglum et al. 2021; Baker and DiCarlo 2020; Knight et al. 2021); and (b) problems with funding districts through existing, often, inequitable, funding formulas (Sciarra et al. 2010; Shores and Steinberg 2019).

A parallel question to consider when examining times of state budgetary crisis is how money makes a difference to schools and the students they serve. Specifically, in analyzing how state budget cuts during the Great Recession impact students of color and low-income students, extant research demonstrates

the most vulnerable students have been the most heavily impacted (Knight 2017; Baker 2014; Estrada 2012). K-12 budget cuts during this time were associated with decreased student outcomes in test scores and college-going rates (Jackson et al. 2021) and within school districts, teacher layoffs disproportionately affected high-poverty and high-minority schools and classrooms (Knight and Strunk 2016; Goldhaber et al. 2016; Kraft and Bleiberg 2021). Policymaking around school funding during a crisis, including cuts and stimulus, are critical not only for education leaders, but for students and teachers who are most impacted by longstanding inequities in schools.

POLITICS OF STATE SCHOOL FINANCE

The formation and implementation of policy does not occur in a vacuum but is shaped by the socio-political environments in which it resides (Stone 2012). Increasing partisan polarization has contributed to disparate policy positions and outcomes among Democrats and Republicans (Abramowitz 2010; Bafumi and Shapiro 2009), though debate over education policy issues has historically proven less polarized than other policy domains (Henig et al. 2019; Houston 2021; Peterson et al. 2014). Some evidence suggests that this paradigm could be changing as localized education issues, such as critical race curriculum (Welton et al. 2021) or accessibility for LGBTQ+ students (Reckhow et al. 2017), elevate into state and national political debates. This trend is consistent with literature suggesting that state decision makers respond to citizen preferences and public opinion through policy and budget prioritization (Page and Shapiro 1983; Erikson et al. 1993).

Still, politics affects how states prioritize and distribute education funding. Wood and Theobald (2003) and Malin (2016) found that the relative liberalism of a state, measured by the party affiliations of their citizens and government institutions, is associated with public school finance systems that are more "progressive" in that they allocate greater funds to higher-poverty school districts. Other evidence suggests that state-level public opinion on education correlates with actual spending. Berkman and Plutzer (2005) found that higher public support for education spending was associated with higher district per-pupil expenditures, as evidenced through local interest in bonds and levies, though Houston (2019) finds that on a state level, historic funding patterns contribute to the complexity of the relationships between public opinion and education spending. Critical analyses of school finance systems have also shed light on the ways in which the politics of race play a role in resource distribution in a way that warrants distinction from traditional measures of poverty (e.g., Green et al. 2021; Alexander and Jang 2019; Martínez 2021). Research also finds that majority White electorates tend to have less support for school funding for

districts serving predominantly students of color (Malin 2016; Martínez 2021). As articulated by Anglum, Shores, and Steinberg (2021) in their analysis of education stimulus funding from the ARRA, spending outcomes reflected the relative progressivity of the state school finance system, which are themselves reflections of state-level public opinion and political decisions. A key takeaway is that federal funding programs that provide states with flexibility in the use of funds should be understood within the political landscape in which those funds are distributed.

GUBERNATORIAL DECISION-MAKING

State governors have a unique role in policy formation and implementation. As statewide elected officials and de-facto heads of the state political party, they lead in both the interest of the people and the party. Governors who represent a certain party spend more policy attention and resources towards the policies their party supports (Heidbreder 2012). In budgetary decisions, a governor's recommendation has been found to be influential in the legislative process (Sharkansky 1968), but only so far as they share political alignment with the legislature (Goodman 2007; Dometrius and Wright 2010). As statewide leaders, however, governors are more likely to advocate for policies supporting collective goods, those shared by communities across the state, compared to legislators, who tend to focus on localized outcomes for the specific district they represent (Lewis et al. 2015; Barrilleaux and Berkman 2003).

Governors also serve multifaceted roles. Abney and Lauth (1983) canonically describe governors as wearing three hats, that of manager, program developer, and external relations specialist. Governors primarily spend time in the first role by managing the complicated negotiations of the state policy process (Kousser and Phillips 2012), but as program developers they strategically build executive agencies in a way that moves forward their agenda (Sigelman and Dometrius 1988; Woods and Baranowski 2007). In the third role, external relations, governors have been influential in the federal policy arena, often advocating for the interests of their state and with increasing frequency, the interests of their national political party (Jensen 2017). Decisions of governors during the pandemic took center stage, as the judgements about whether to close schools and businesses, and mandate masks or curfews fell primarily on states. The decisions a governor makes, specifically as related to budgetary matters, are both politically motivated and administratively strategic. Thus, analysis of how GEER funds were allocated provides important insights for understanding how state executive offices engage and make decisions during educational crises. Greater understanding of these phenomena will help inform future policymaking, especially what types of regulations or earmarks should be included in stimulus

bills and the potential benefits of fiscally flexible funds provided in a timely and directed manner.

DATA AND ANALYTIC APPROACH

Data

We draw on both qualitative and quantitative data and methods. We first created a qualitative dataset that included the *45-day Initial Reports* that each state was required to submit to the U.S. Department of Education on its intended use of the funds. These narrative reports allowed us to determine what type of programs the state was planning to support, the sector to which funds were directed, and the specific funding formula in cases of funds being directed to local education agencies. For the quantitative analysis, we merged the Department of Education dataset *GEER Collected Data for Mar 13, 2020 – Sep 30, 2020 Reporting Period* with district level demographic data from the Common Core of Data and finance data from the U.S. Census F-33 survey. The *GEER Collected Data for Mar 13, 2020 – Sep 30, 2020 Reporting Period* dataset includes LEA, IHE, and other subgrantee-level information on the amount of funds distributed to each entity, for each state. The data available in the report usually accounts for 70-100 percent of spending of a state's GEER fund allocation, but not always 100 percent, because the *Collected Data* report was published before the state GEER spending deadlines. Drawing on this dataset, we examine the distribution of funding across school districts, for states allocating GEER funds to LEAs based on a funding formula. While the Collected Data report includes selected information for many states, we only analyze states with district-level GEER funding information and that use a funding formula to determine a specific allocation to that district, which form the basis for our quantitative analysis.

Qualitative Methods

To address research question one, we used document analysis to examine the *45-day Initial Reports* on GEER spending plans submitted from all 50 states. In our analysis we used the initial reports to specifically answer two questions: (1) to which education sectors did states target funding? And (2) if the state intended on funding LEAs, how are those funds allocated to LEAs (e.g., school districts), and was a specific funding formula indicated? These questions helped us identify both how states were intending to spend their GEER money at the sector-level, and how they were planning on disbursing funds to LEAs. While there are other important qualitative variables related to intended GEER usage we could have specifically collected from this dataset, for example, whether funds were used towards specific types of programs (technology, cleaning protocols, transportation, etc.), or an analysis of the language used to describe the usage of

GEER funds, these issues are beyond the scope of our study. We did, however, track common themes in funding categories. We documented the findings in a spreadsheet along with other aspects of the state's intended GEER usage. For the states that did include LEA funding based on formula, we documented what components comprised the funding formula.

Quantitative Methods

The quantitative analysis addresses research questions two and three. We first examine GEER funding distribution across student populations within states that sent GEER to school districts via a funding formula. We then analyze the relationship between these funding patterns and (a) state political ideology and (b) current state and local funding distribution. We start by examining the relationship between district poverty rates and per-student GEER funding. We focus on states that reported district-level GEER fund allocation to the U.S. Department of Education during the 2020 reporting period (described earlier).

To understand the extent to which the states in our subsample allocated GEER funds "progressively" such that higher-poverty school districts receive proportionately more per-student GEER funding than lower-poverty districts, we use regression-based methods to adjust GEER funding amounts to account for differences in school district characteristics as well as external cost factors. School districts face different costs to produce the same outcomes (Duncombe and Yinger 2005). These cost factors include geographic differences in the local cost of labor, local population density, district size, the rate of student disability, and the percent of students with a heritage language other than English. Each of these factors alters the cost of education and should be accounted for in comparisons of education funding. The purpose of these adjustments is to make apples to apples comparisons in funding between districts, for example comparing low-poverty districts to "otherwise similar" high-poverty districts. Specifically, the regression-based approach allows us to compare low-poverty districts to high-poverty districts that have a similar local cost of labor, local population density, size, and student characteristics (Baker et al. 2020; Knight and Mendoza 2019). To compare GEER funding in lower-poverty school districts to *otherwise similar* high-poverty school districts, we estimate the following:

$$(1)\ GEER_{sd} = b_0 + X\,'l + s_s + e_{sd},$$

where $GEER_{sd}$ is per-pupil GEER funding allocated to district d in state s, s_s represents state fixed effects, allowing us to compare districts in the same state, and X is a vector of district covariates listed above. Cost of labor is taken from Cornman et al. (2019) and population density (based on urban locale codes),

Table 1: P*olicy Decisions Guiding GEER Funding Allocation*

	Allocates funding to:				LEA funding	LEA allocation
State	LEAs	IHEs	Other		formula	data
Alabama	X				X	X
Alaska	X	X			X	X
Arizona	X		X			
Arkansas	X		X			
California	X				X	X
Colorado	X	X				
Connecticut	X	X	X			
Delaware	X				X	
Florida	X	X	X		X	X
Georgia	X					
Hawaii	X	X			X	
Idaho	X	X	X		X	
Illinois	X	X	X		X	
Indiana	X	X	X		X	
Iowa	X	X			X	X
Kansas		X				
Kentucky	X	X			X	X
Louisiana		X	X			
Maine			X			
Maryland	X	X	X		X	X
Massachusetts	X	X	X		X	
Michigan	X	X			X	
Minnesota	X	X	X		X	X
Mississippi			X			
Missouri	X	X			X	
Montana		X	X			
Nebraska			X			
Nevada	X	X	X		X	X
New Hamp.		X	X			
New Jersey		X				
New Mexico	X	X			X	X
New York	X				X	X
North Carolina	X	X			X	
North Dakota	X	X				
Ohio			X			
Oklahoma	X		X		X	
Oregon	X	X			X	
Pennsylvania	X	X			X	
Rhode Island	X	X				
S. Carolina		X	X			
South Dakota	X	X			X	
Tennessee	X		X			
Texas	X	X				
Utah	X				X	X
Vermont		X				
Virginia	X	X			X	
Washington		X				
West Virginia		X				

Table 1 (continued)

Wisconsin	X				X	
Wyoming	X	X			X	

Note: This table was compiled from analysis of state application and provisional data posted on the ED website.

district size, and rate of student disability and multi-language learning status are drawn from the Common Core of Data. We calculate the extent to which funds are allocated progressively with respect to student poverty rate by taking the ratio of the adjusted funding rate for the average low-income student to the adjusted funding rate for the average non-low-income student. The funding rate for the average low-income student is calculated as the average funding rate in each district, weighted by the number of students in each district with household income below the poverty line.

To examine the relationship between the progressivity of GEER funding distribution and state characteristics (research question 3), we compare each state's GEER funding progressivity measure with (a) measures of state political ideology; and (b) measures of progressivity of the state and local per-pupil funding for each state. To measure political ideology, we use Berry et al.'s (1998) measures updated to fiscal year 2013 and accessed through the Correlates of State Policy project (Grossman et al. 2021). State political ideology is a proxy for the political representation of the state governor, who was ultimately responsible for the distribution of GEER funds. To measure current state and local funding progressivity, we use the same adjustments as described in equation 1, and the same weighted average calculations described above. To understand how the allocation of GEER funding relates to state political ideology, or to the progressivity of the state's school funding formula, we use simple Pearson correlation coefficients, for the states that allocated GEER funds through a funding formula.

FINDINGS

State Plans for the Allocation of GEER Funds

As shown in Table 1, analysis of GEER report documents revealed that 37 of 50 states intended to fund K-12 education (LEAs), 35 states funded higher education (IHEs), and 21 funded "other" organizations with their GEER money (the table excludes Washington D.C., Puerto Rico, and the other U.S. territories). A majority of states, 34, shared their GEER funding among LEAs, IHEs, and other organizations with 9 states splitting funding between all three. 16 states directed funds to only one sector, where half sent funds solely to LEAs, four states sent GEER funds only to IHEs (Kansas, Vermont, Washington, and

Table 2: *State Funding Formulas for LEA Support Programs (GEER Funds)*

State	Formula
Alaska	Grants to 35 school districts to ensure all LEAs received funding equal to or greater than the allocation of $30 million one-time funds through the state's foundation formula versus the allocation based on the Title I-A formula for the federal Elementary and Secondary School Emergency Relief Fund (ESSERF).
Alabama	Formula based on Academic achievement, SPED students, Direct Cert, EL students, and COVID factor (the extent to which the pandemic impacted communities).
California	Part of a larger state grant program based on CA LCFF. Specifically, the GEER funds are part of a $1.5 billion portion of the block grant that is allocated based on the number of students with disabilities enrolled in a local educational agency.
Florida	Based on LEA application to SEA for grant and per-school allocation for summer learning program.
Iowa	Based on a specified amount per qualified student household.
Kentucky	Federal Title IA formula
Maryland	Based on district technology needs assessment.
Minnesota	Based on a survey that each district was asked to complete based on their technology device and internet needs.
Nevada	Based on average daily enrollment from the 2019-2020 school year.
New Mexico	N/A
New York	Federal Title IA formula
Utah	Based on Enhancement for At-Risk Students (EARS) and Special Education funding formulas.

Note: The information in this table was compiled from state application and initial reports posted on the U.S. Department of Education website.

West Virginia), and the other four allocated funds to other sectors (Maine, Mississippi, Nebraska, and Ohio). Common programmatic themes in the LEA funding category were support for new technologies, transportation, summer bridge programs or student tutoring, competitive innovation grants, or general-purpose appropriation to school districts. For states funding IHEs from their GEER fund, commonalities included online learning systems, workforce development, general appropriation for COVID-related losses, and student need-based financial aid. The "other" category often included financial support both within and outside of the education sector. Efforts to support broadband expansion, childcare providers, parent vouchers and private school support were frequently included by states in this category.

Of the 37 states that supported funding distribution to LEAs, 28 indicated that they would be using some kind of funding formula. These formulas varied

Table 3: GEER Fund Spending during the Mar 13, 2020 – Sep 30, 2020 Reporting Period (provisional)

State	GEER allocation	State GEER distribution to all sectors	Spend rate	Sum of $ to LEAs	State LEA spend rate	Alloc./ stu.
Alaska	6,503,527	5,428,856	83%	3,728,856	69%	$66
Alabama	48,851,495	41,909,643	86%	41,909,643	100%	$84
California	355,227,235	356,988,737	100%	356,988,737	100%	$60
Florida	173,585,880	119,095,521	69%	71,236,844	60%	$25
Iowa	26,217,108	25,743,942	98%	20,374,800	79%	$37
Kentucky	43,799,187	43,799,187	100%	30,000,000	68%	$50
Maryland	45,657,990	45,545,483	100%	13,823,160	30%	$11
Minnesota	43,427,249	37,969,911	87%	30,128,249	79%	$33
New Mexico	22,262,663	17,075,352	77%	9,202,057	54%	$8
Nevada	26,477,349	4,857,625	18%	3,663,459	75%	$28
New York	164,286,083	164,286,083	100%	164,286,083	100%	$65
Utah	29,189,663	29,093,406	100%	29,093,406	100%	$41

Note: Table includes the 12 states that directly allocated GEER funding to school districts. GEER allocation is the total money the state was allocated based on the federal GEER formula. State GEER distribution is the amount that was reported distributed from the state to entities in the *Mar 13, 2020 – Sep 30, 2020 Reporting Period (provisional)* report. The spend rate is the percentage of state distribution from allocated (see text for details on variation in spend rates). The sum of money to LEAs indicates the amount reported directed to LEAs in a state and the state LEA spend rate is the percentage of how much a state spent proportionately on LEAs.

from simple, including one variable, to complex, including multiple variables, minimums, or floors for base funding to LEAs, and other considerations. Our analysis of the state reports indicated that states with funding formulas would typically calculate the amount of funding each district would receive under their formula and require the district to submit applications for reimbursement for the funds (similar to other federal grant programs), though some states used a competitive grant model to distribute funds.

To proceed with the subsequent quantitative research questions, we next explore which states had submitted their district level sub-grantee to the Department of Education for inclusion into the *GEER Collected Data* report. By cross-analyzing the 28 states that indicated in their initial report that they intended to utilize a funding formula to distribute LEA funds with district-level finance data from the Department of Education (the *GEER Collected Data for Mar 13, 2020 – Sep 30, 2020 Reporting Period*), we found that 12 states had the data needed to proceed with the quantitative analysis, including 3,528 traditional public and charter

Table 4: *Summary Statistics for States that Directly Allocated GEER Funds to School Districts*

	Number of districts	Students	Poverty Rate
Alabama	137	740,791	59%
Alaska	54	132,017	31%
California	1,002	5,597,504	59%
Florida	73	2,851,104	57%
Iowa	327	517,324	32%
Kentucky	174	691,967	57%
Maryland	25	909,404	44%
Minnesota	488	886,095	37%
Nevada	19	495,095	59%
New Mexico	139	329,760	73%
New York	949	2,681,820	25%
Utah	141	678,230	29%
TOTAL	3,528	16,511,111	50%

Note: Table includes the 12 states that directly allocated GEER funding to school districts. Number of districts refers to the number of traditional public and charter school districts in National Center for Education Statistics finance data that we successfully merged to districts in the *Mar 13, 2020 – Sep 30, 2020 Reporting Period (provisional)* report.

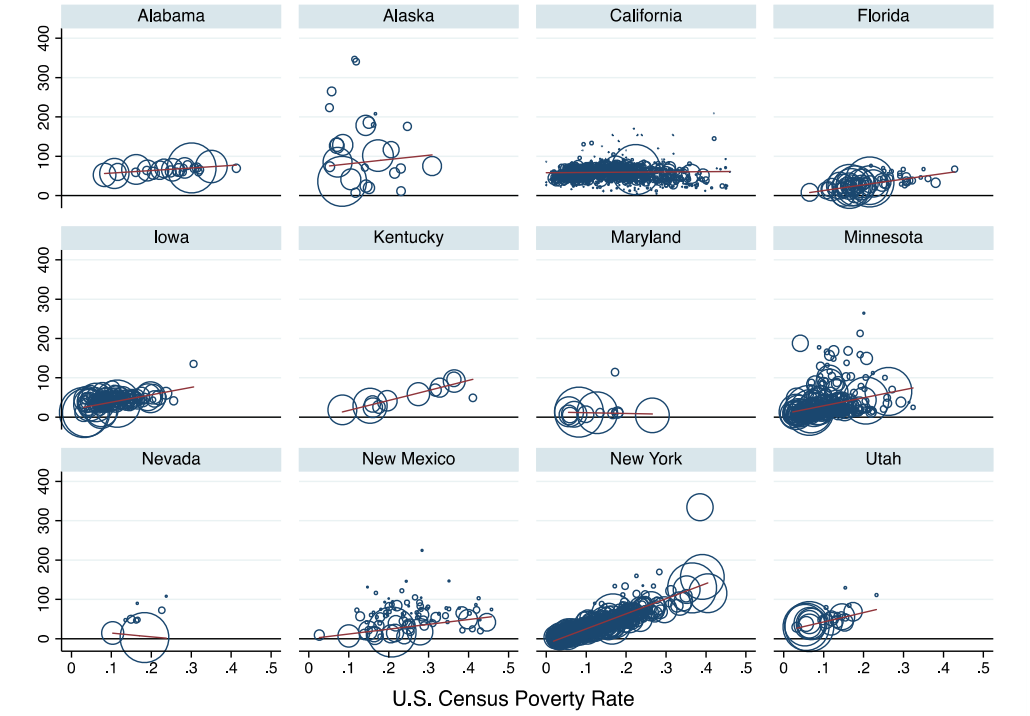
school districts. Geographically, these states are representative of all 4 of the US Census regions, and 6 of the 9 Census sub-divisions (US Census, 2010). Each of these states had distinct funding formulas that shaped the way that GEER money was sent to school districts, reported in Table 2.

Table 2 demonstrates the range of formulas used by states and how they interacted with other state funds, such as ESSER and state formulas, to meet the specific needs identified by the governor. While each state in our sample used a unique approach to distributing GEER, we found several states relied primarily on a student or district characteristics, such as student poverty (KY, NY, UT), special education (AL, CA, UT), and self-identified technology needs (MD, MN).

STATE ALLOCATION OF GEER FUNDS ACROSS STUDENT GROUPS

We next turn to how states implemented these plans, based on the quantitative data reported in the *GEER Collected Data* report. Table 3 shows descriptive statistics for the 12 states analyzed. The first two columns of Table 3 show, for each state, the total GEER allocation and the amount each state has distributed to sub-grantees at the time of reporting (up to September 2020). Recall our 12-state

Figure 2: Relationship between School District Per-pupil GEER Funding and Poverty Rate



Note: GEER = Governor's Education Emergency Relief. Each circle represents a school district, with size proportionate to enrollment size. Figure includes the 12 states that directly allocated GEER funding to school districts. We omit a small number of districts receiving more than $400 per student for visual clarity, but include these districts in our main analyses.

sample includes any state that used a formula to send to LEAs and provided data to the U.S. Department of Education in the *Collected Data* report. Most states allocated approximately 70-100 percent of the GEER funds they received, with Nevada as an exception sending only 18 percent of funds to sub-grantees at the time of the *Collected Data* report. Of the funds distributed by these states, most sent 60-100 percent to LEAs, with outliers being Maryland at 30 percent and New Mexico at 54 percent. The final column shows our calculation of spending per pupil of GEER funding sent to LEAs. States sent approximately $50 to $60 per pupil to districts, although Nevada and Maryland allocated a lower amount.

While this funding amount is low relative to total funding of about $15,000 per student in the typical state, the funds have a larger impact when targeted to specific districts. District poverty characteristics for the 12 states in our analysis are shown in Table 4.

The data in Table 4 show the range of student populations and number of

school districts for the states in our dataset. We also highlight the range in relative poverty rates of each state, from a low of 25 percent in New York to 73 percent in New Mexico. The table shows vast differences in the number of districts in each state and average district size, which has direct implications for how states distribute funding across districts.

Figure 2 shows the extent to which states targeted GEER funds to school districts with higher numbers of students in poverty, based on unadjusted GEER funding data. Each data-point bubble represents an LEA, with the size of each bubble proportional to district size. Most states allocated funds progressively with respect to student poverty rate (as indicated by upward sloping regression lines for most states), with the exception of California, Nevada, and Maryland. This aligns with our findings related to prioritization in GEER funding formula shown in Table 1, which indicate that these three states did not prioritize GEER funding based on student poverty.

California and New York provide a unique contrast as two of the larger states in our analysis. Both of these states also directed 100 percent of their GEER funds to LEAs. As noted in Table 1, New York allocated funds according to Federal Title IA formula, while California elected to allocate funds according to the percent of students in special education. Figure 3 compares GEER fund allocations between these two states. While California's approach targeted the highest levels of funding to districts with the highest special education rates (shown in Panel B), New York's approach ultimately sent a greater proportion of funds to districts serving higher percentages of English learners, Latinx, and Black students, and fewer percentages of White students, compared to California (Panels C, D, E, and F). This is consistent with findings in Table 1, indicating that GEER funds were distributed as intended by each state, for California targeting special education and for New York targeting low-income students.

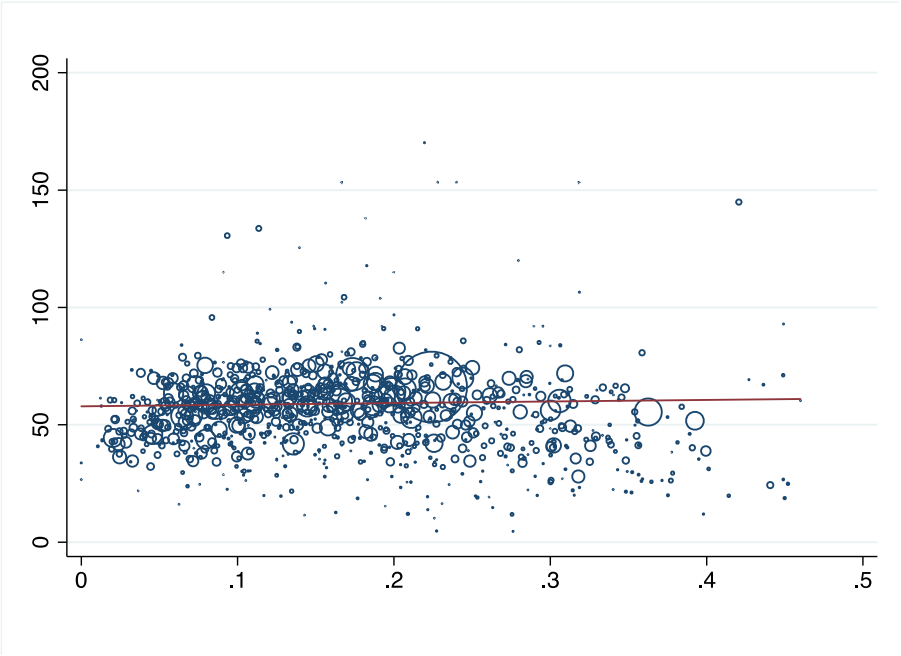
Table 5 displays measures of progressivity based on Census poverty rates. Column 1 shows the ratio of GEER funding between districts attended by the average poor student and the average non-poor student, based on the methods described earlier, and column 2 shows the same ratios, using adjusted GEER funding values. While the adjusted values provide a more accurate depiction of the extent to which funds were sent to high versus otherwise similar low-poverty districts, the results between adjusted and unadjusted figures tell a similar story: most of the states in our analysis chose to allocate more GEER funding to higher-poverty districts, as indicated by ratios above 1.00.

GEER FUND ALLOCATION PROGRESSIVITY AND STATE CONTEXT

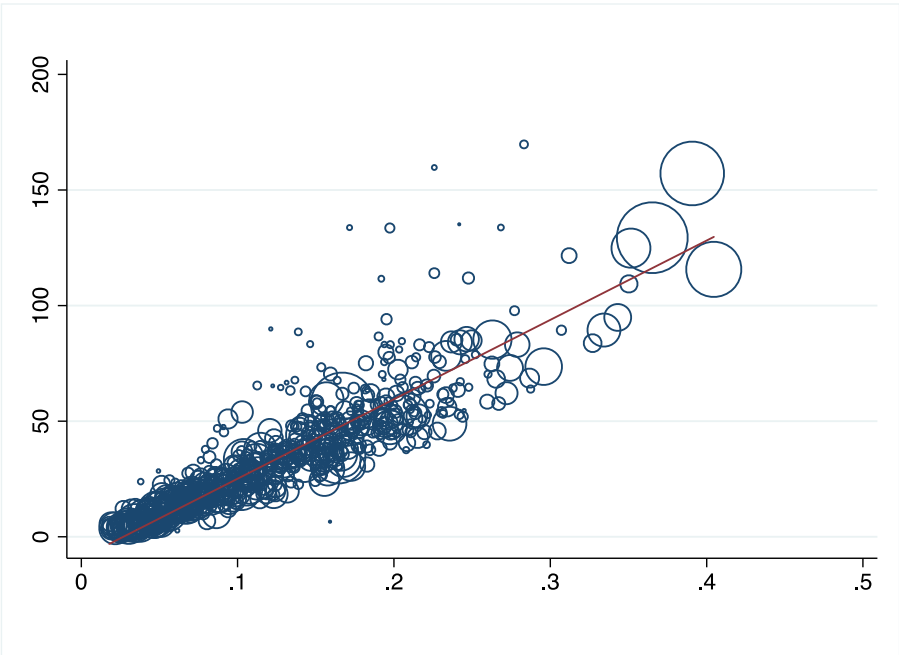
Finally, we examine state factors associated with the manner in which GEER funds were allocated to LEAs. In particular, we explore how the progressivity of GEER funds are related to current measures of school finance progressivity

Figure 3: Relationship between school district per-pupil GEER funding and district characteristics for California and New York

Panel A. U.S. Census Poverty Rates
California

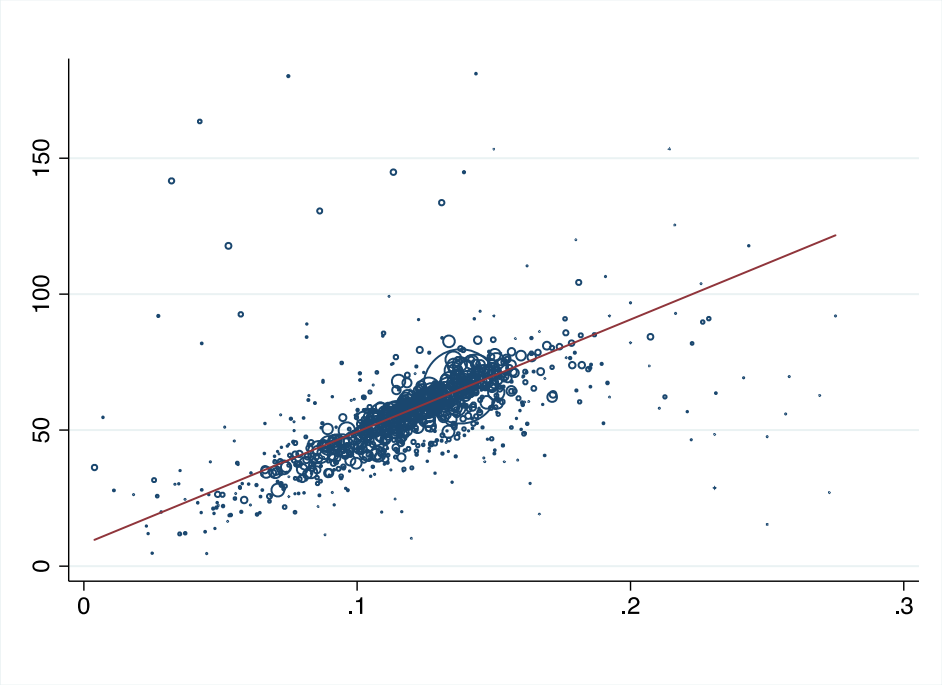


New York

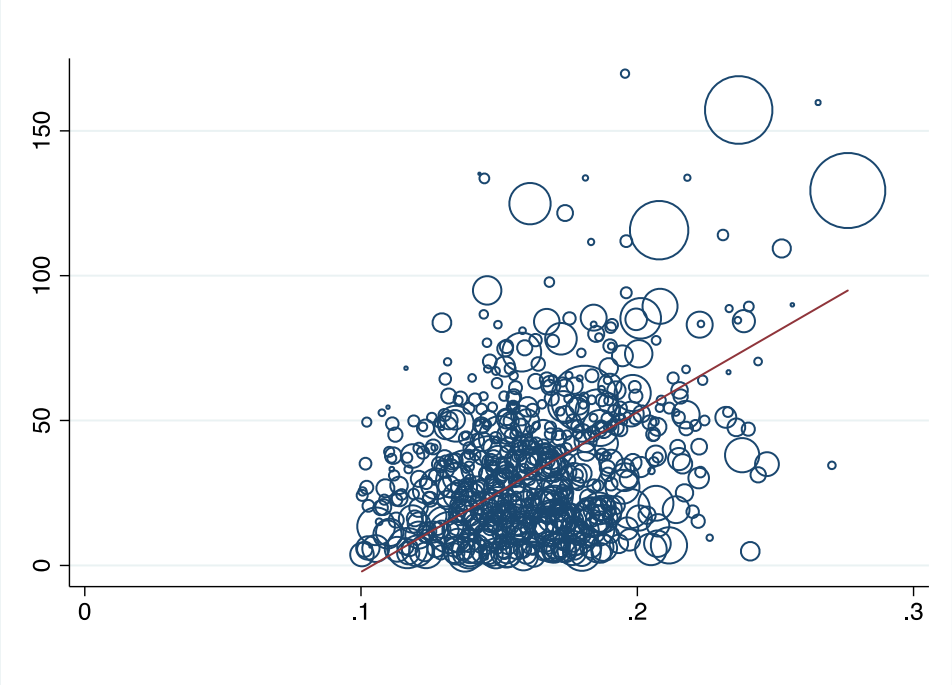


Panel B. Percent of students receiving special education services

California

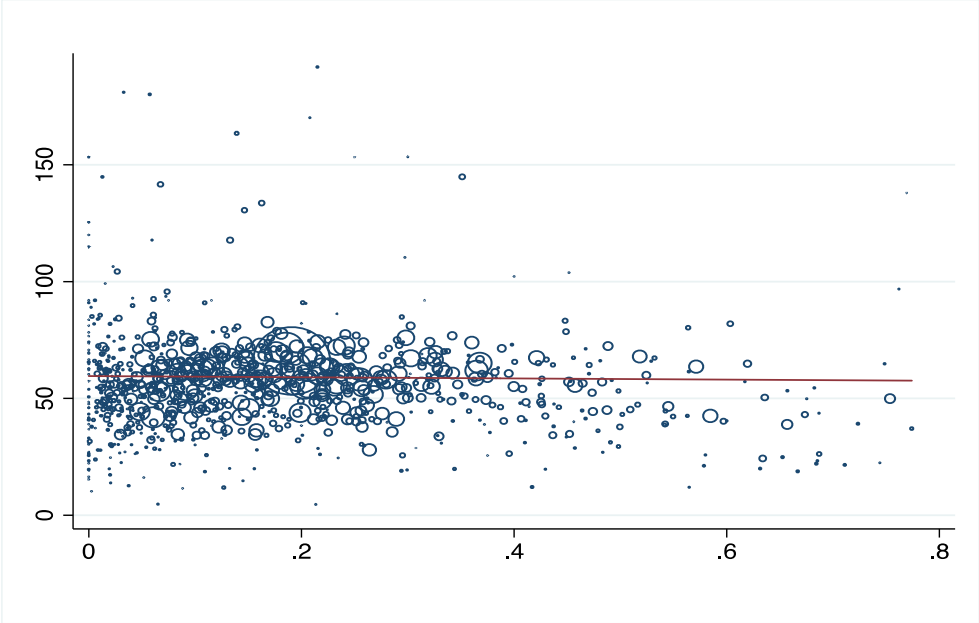


New York

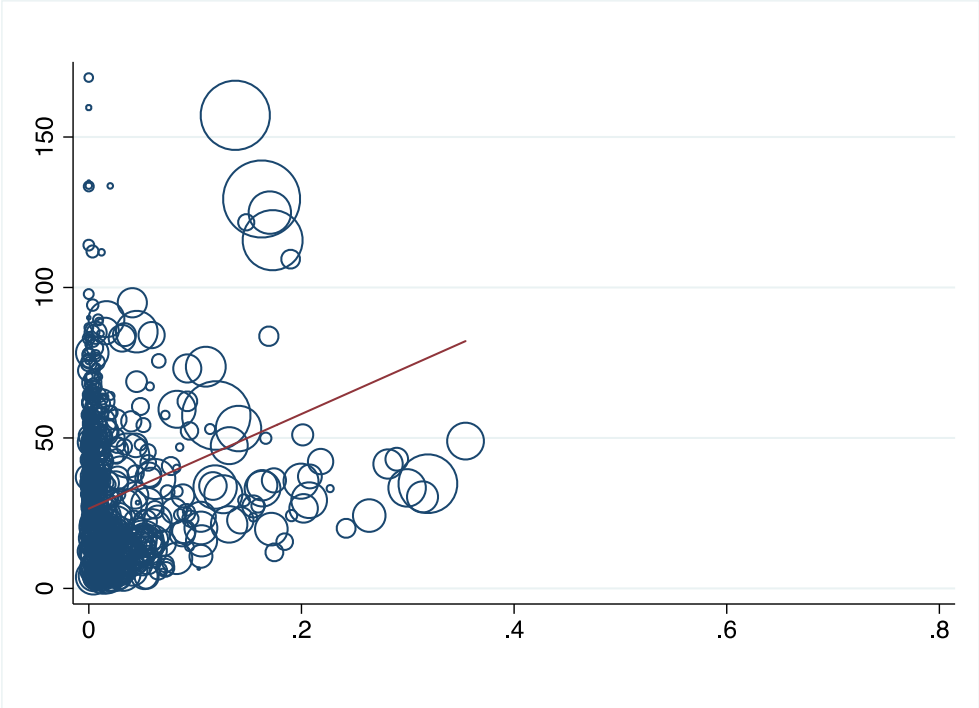


Panel C. Percent of students classified as English learners

California

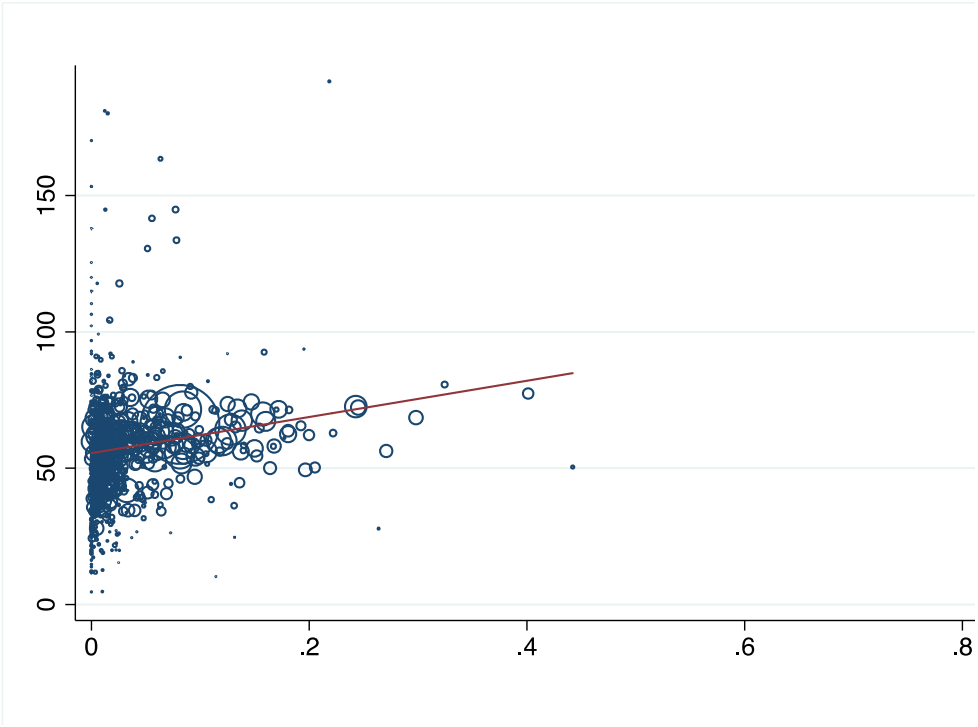


New York

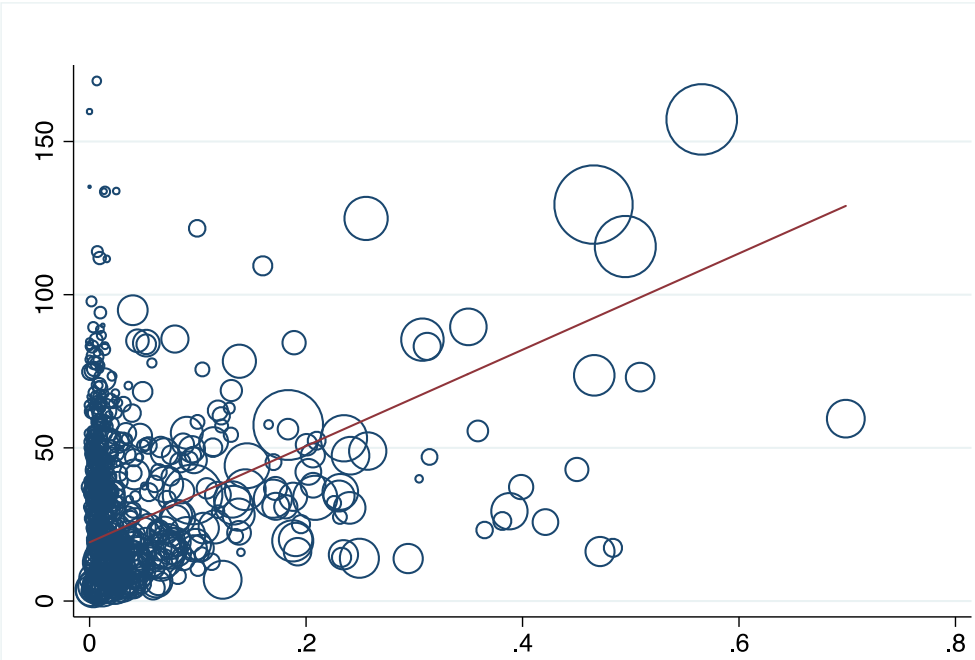


Panel D. Percent of students who identify as Black

California

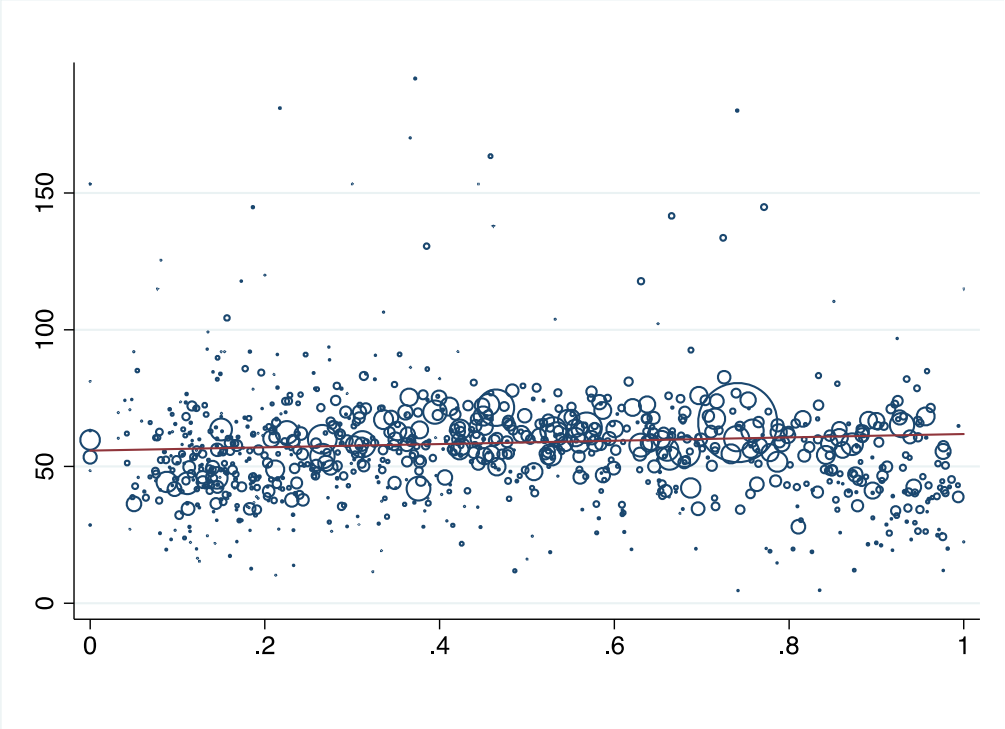


New York

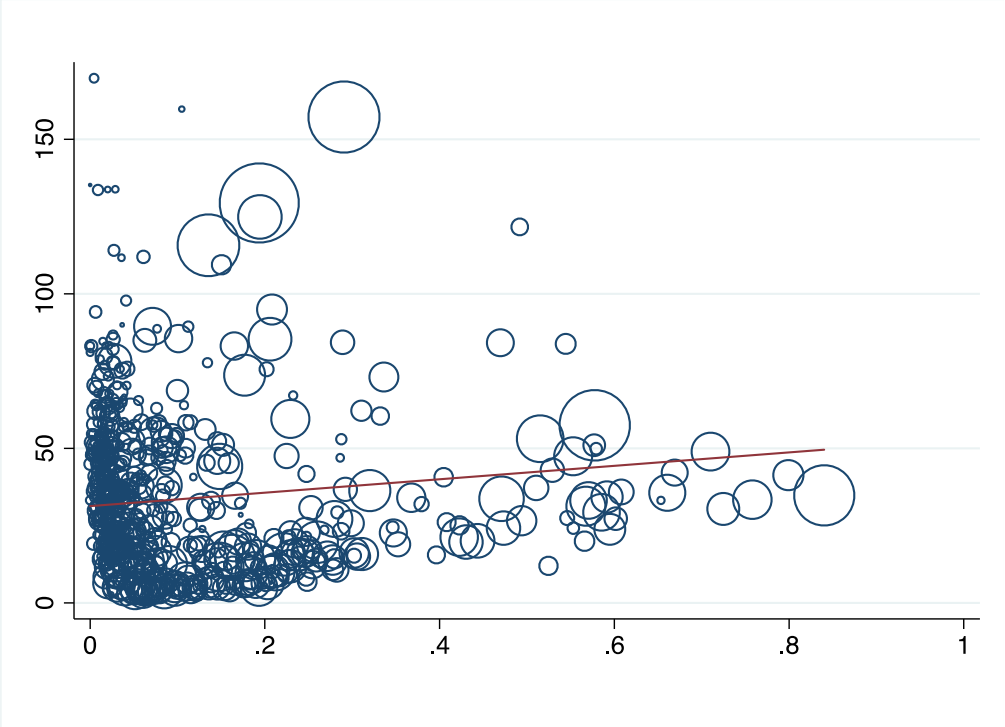


Panel E. Percent of students who identify as Latinx

California

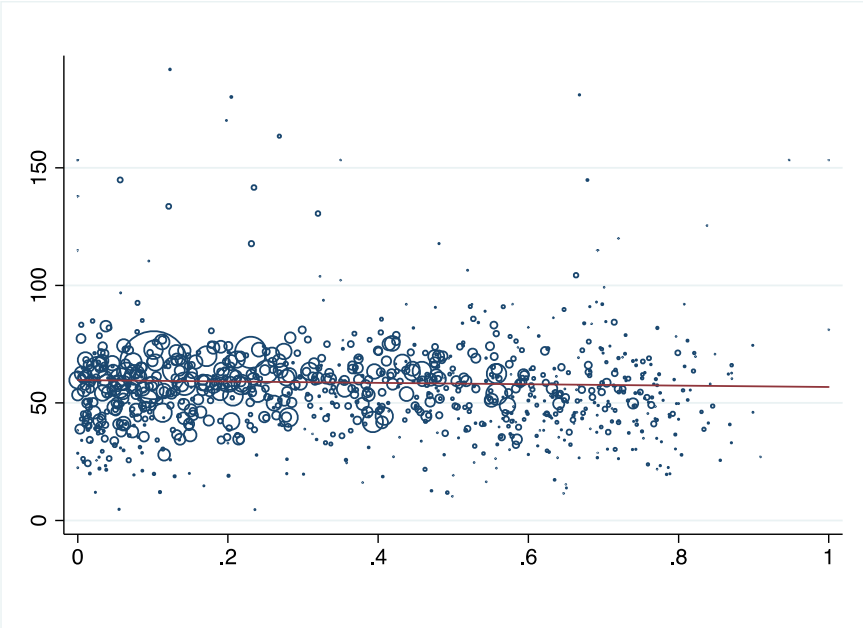


New York

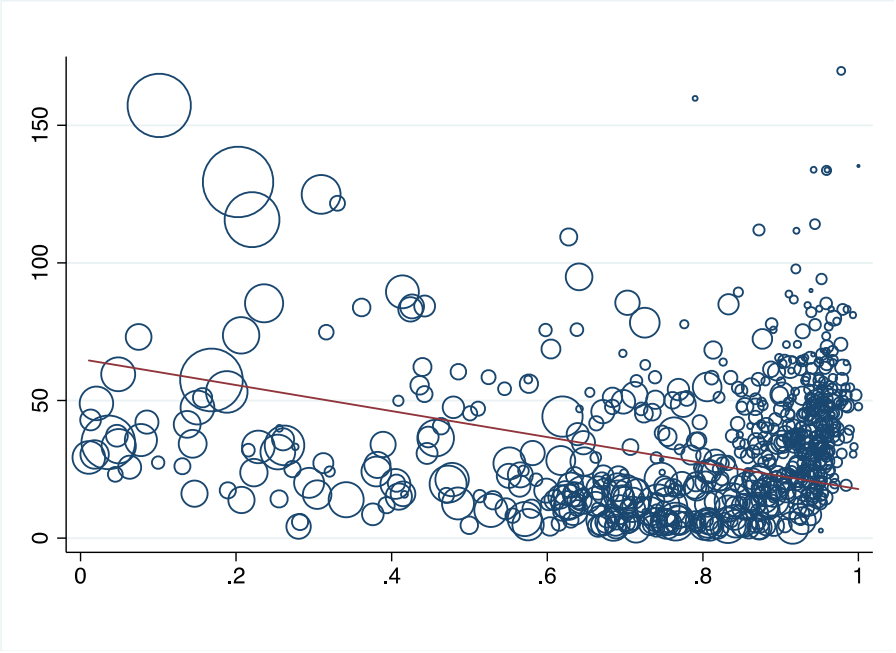


Panel F. Percent of students who identify as White

California



New York



Note: GEER = Governor's Education Emergency Relief. Each circle represents a school district, with size proportionate to enrollment size. We omit a small number of districts receiving more than $200 per student for visual clarity but include these districts in our main analyses.

Table 5: Progressivity of funding distribution and state characteristics

	Progressivity for GEER funding		Progressivity - state & local rev.	Political ideology ("liberalism")
	Unadjusted	Adjusted		
Maryland	0.922	1.122	1.003	60.800
Minnesota	1.308	1.097	1.011	51.138
Utah	1.102	1.081	1.003	20.979
Iowa	1.164	1.071	1.000	44.691
Kentucky	1.345	1.049	0.979	41.276
California	1.006	1.040	0.988	57.358
Alaska	1.055	1.039	1.017	60.277
New York	1.460	1.033	1.022	67.656
Alabama	1.039	1.006	0.998	35.785
New Mexico	1.183	1.005	0.992	56.401
Florida	1.068	1.000	0.996	44.980
Nevada	0.921	0.962	1.002	46.731
Corr. w/ adjusted GEER funding progressivity			0.162	0.016

Note: States are ranked by their adjusted GEER funding progressivity. Progressivity refers to the extent to which additional funds are targeted to students classified as low-income (see text). Political ideology is taken from Berry et al. (1998) updated through 2013 in Grossman et al. (2021), which uses ideological ratings of members of Congress based on 2013 data, where larger numbers represent more liberal leaning representative and smaller numbers represent a more conservative Congress. The bottom row shows the progressivity of GEER funding in each state is correlated with progressivity in the current distribution of state and local funding at 0.162 and political ideology at 0.016, neither of which is statistically significant at conventional levels.

and state political ideology. Columns 3 and 4 of Table 5 include measures of state school finance progressivity and state political ideology, respectively. We find little correlation between relative progressivity of GEER funds distributed to school districts and (a) the relative progressivity of the state school finance system (r=0.16); or (b) the political ideology of a state (r=0.02).

DISCUSSION

This study contributes to the understanding of stimulus spending on education in two ways. First, the study shows specifically how the GEER funding was allocated and what type of programs and students were targeted in different states. Second, in a broader sense, our analysis provides an understanding of how funds will be spent if a program like GEER is administered in the future. The discussion presented below will likely help bridge what was learned about

GEER fund spending through this study to future considerations policymakers should take on education stimulus programs.

In our study we posed three research questions: 1) How was GEER spent across sectors? 2) Was GEER spent progressively within the K-12 system? And 3) did external factors influence spending? Our analysis identified several patterns in how states chose to spend their GEER fund. Over half of states directed money to LEAs based on a specific funding formula. These funding formulas were not identical, with some states choosing to prioritize distribution based on factors, such as technology needs, or COVID impact, that are usually not included in traditional school finance funding formulas. When we examined states with these broad-based LEA distribution formulas, we found that most states allocated funds in a manner that sent more money to school districts with greater shares of lower income students, a "progressive" allocation, though there were some exceptions for states with low spend rates and as described above, the state of California.

Providing a case analysis of California and New York lends an opportunity to further understand why there is such a dramatic difference in progressivity of GEER spending between these two states, especially when California's poverty rate is nearly double that of New York's. First, we highlight the key difference in how the two states chose to spend these funds. While New York directed funding based on the federal Title I formula, which has a direct connection to low-income students, California's GEER funding was used as a portion of a larger "loss mitigation" grant program including multiple state fund sources such as ESSER, and state emergency aid. The governor of California strategically utilized the relatively smaller portion of aid through GEER to target special education students. This policy choice aligns with the quantitative district-level data, showing greater funds distributed to districts enrolling higher shares of student receiving special education students. California has relatively flat funding with respect to the percentage of students in each district who identify as Black or Latinx or who are classified as low income. Ultimately, differences in policy choices for GEER drove the variation in spending between these two states.

Our findings around the external factors contributing to these distribution patterns are informative for understanding how states prioritized educational needs during COVID-19. We found that there was no correlation between GEER distribution progressivity and existing state and local school finance progressivity. This finding is interesting to consider because on the one hand, governors in states with less progressive existing school finance systems were able to use the discretionary nature of the GEER funds to target spending in a more progressive manner than they may have otherwise been able to accomplish in

working with their legislature. On the other hand, governors in more progressive school funding states were not necessarily likely to implement a progressive funding model with GEER, but as we discussed with the case of California, this could have been the result of broader policy and funding contexts. Because this impacts both ends of the funding progressivity spectrum and across state contexts, the driving factor is unclear.

Second, in examining the impact of political ideology on GEER spending, we find that there is no correlation between political ideology of a state and GEER spending progressivity. The absence of a relationship between these two variables suggests that a governor may not have acted necessarily in a manner linked to their political priorities but responded directly to their perception of the state's most pressing budgetary crisis emerging in the education sector. Through our analysis of GEER allocation to LEA's, we find that most governors directed a greater share of funds to disadvantaged students. This finding could be considered consistent with previous research which highlights the governor's ability to prioritize the 'collective good' compared to state legislators who focus on local outcomes (e.g., Lewis et al. 2015; Barrilleaux and Berkman 2003).

It is also worthwhile to put our findings around GEER fund allocation in perspective with policy stemming from the American Recovery and Reinvestment Act of the Great Recession, as discussed earlier in the article. There are similarities between GEER and the ARRA's State Fiscal Stability Fund. Both GEER and ARRA's State Fiscal Stability Fund were distributed to governors in response to an economic downturn; however, SFSF grants were required to flow through existing state K-12 funding formulas, while GEER included fiscal flexibility. With our findings showing that there is no significance between progressivity of a state's GEER funding plan and its existing funding formula, there is evidence to suggest that SFSF funds may have been allocated differently if states were given more flexibility, potentially preventing finance equity issues noted in prior research on SFSF (see Baker and DiCarlo 2020; Anglum et al. 2021). We posit that the role of the governor in the GEER fund, which included a great deal of flexibility, may have allowed governors to pursue greater fairness, or progressivity in the funding formula as compared to existing state school finance systems. This is aligned with previously mentioned literature related to influence of the Governor within the state budget process (e.g., Goodman 2007; Dometrius and Wright 2010). The GEER fund also did not allow for the supplanting of state and local dollars with federal money, unlike the SFSF. However, as with any one-time distribution of aid, districts and states receiving GEER funds may be faced with a 'fiscal cliff' if they decided to fund long term investments, such as school staff and other employees, with their grant. How districts and schools spent their COVID relief funds overall remains unclear, though some evidence

suggests districts invested in one-time expenditures, such as technology, or to patch immediate budget holes, such as those associated with lost transportation contracts, or cleaning protocols. Future research should continue to pursue a clearer picture of how COVID aid to education was allocated, spent, and managed in longer term state and local budget contexts.

This study contributes to the literature as one of the first studies to analyze state GEER fund spending. More broadly, the study provides insights on how spending is likely to occur with a GEER-type policy in the future. There are also limitations to our study. This analysis represents only a snapshot in time of reported GEER funding plans, and additional allocation occurred after the available report date and through the implementation of the second, smaller GEER allocation in the subsequent COVID-19 stimulus package. We do believe, however, that the sample we compiled reflects a critical mass of states reporting data, and that states will continue to spend GEER money based on the initial reports they submitted to the U.S. Department of Education, which were the basis of our analysis.

Lastly, we highlight two key implications for future policy. First, our study demonstrates that when provided with the fiscal flexibility of the GEER fund, many state governors chose to allocate schools funds according to district poverty rate, and there is not a clear correlation between allocation patterns and political ideology. The implication of this finding is that when governors create and direct school emergency resources through a funding formula, they respond in more targeted ways than the existing state school funding formula, and in ways that their political realities may not allow through normal legislative processes. Second, in cases of crisis like the COVID-19 pandemic, and with limited political processes and timelines, federal aid programs like GEER are a helpful component in robust federal aid packages, allowing state governments to create multi-layered stopgaps with pooled resources and budget recovery mechanisms to address locally perceived needs as they arise. These two items reflect how a program like GEER can provide meaningful and localized assistance by taking a guided, but "hands-off" federal policy approach when utilized in conjunction with more directed, larger aid sources like that of ESSER in the CARES Act.

CONCLUSION

The COVID-19 pandemic was not the first, and likely not the last time that Congress will utilize a federal education stimulus package directed at states and their school districts to support economic recovery. While policymakers cannot know what or when the next crisis will be, this study shows important lessons for how money might be spent if dedicated to an open-ended state aid program, like GEER. In this study we demonstrated that there were commonalities

among states' GEER spending patterns to support LEAs and when measuring spending through the context of supporting low-income students, most states implemented fiscally progressive funding formulas regardless of existing state school finance system progressivity or state political ideology. Variations in state spending can be attributed to the governors' prioritization of funding in their larger budget environments. For example, when comparing the states California and New York, we observed major differences in spending because the GEER fund was serving a different policy context within the needs of the state. As policymakers reflect on the impact of GEER funding, they might consider that the GEER fund worked as intended: fifty different governors made fifty different decisions about where stimulus money would be most useful in their education systems. While disadvantaged students were at the top of that list in most cases, the specific student populations targeted for funding varied across states depending on unique state policy contexts. Moving forward, separate flexible spending pots, embedded within larger federal stimulus, like GEER, may be an effective approach to tailoring broad relief initiatives to local contexts.

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