



NEW YORK CITY COMPTROLLER  
**BRAD LANDER**

# DOE Federal Covid Stimulus Funds

## Programmatic Spending Update

April 2022

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### DOE Covid Recovery Spending at Less than 50% of Expected Fiscal Year 2022 Levels

The New York City Department of Education (DOE) is receiving \$7 billion in total federal Covid recovery funding dedicated to K-12 education under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA)<sup>1</sup>. The DOE allocated approximately \$3 billion of that funding to be spent in FY 2022 in an ambitious effort to provide the academic, social emotional, and technological

supports students need for recovery from the pandemic, and to grow learning opportunities for all students—the very youngest readers, children with disabilities, English language learners, and high school students preparing for work or college. In October 2021, DOE publicly released a programmatic spending update outlining its plans to spend that \$3 billion in FY 2022.

Recognizing that stimulus money directed at schools represents the largest pool of federal Covid dollars received by the City, and the urgency of putting this funding to work to support New York City’s students, in February, Comptroller Lander requested detailed budget and spending data on the DOE programmatic initiatives supported by federal stimulus funding. DOE provided this data on April 1, 2022.

According to the data through the first week of March 2022, DOE has spent \$1.4 billion of the expected \$3 billion in FY 2022 federal stimulus funding. The majority of spending-to-date (\$856 million) went for reopening expenses, including the 2021 Summer Rising program, where spending proceeded largely on schedule (Figure 1).

## Spending Delays in Critical Areas of Student Supports

Three quarters of the way through the fiscal year, in the category of “Academic and Instructional Support,” DOE has spent just 22% of planned funds—\$221 million out of \$984 million (Figure 2). In the category of “Taking Care of the Whole Child,” DOE has spent just 24% of planned funds or \$65 million out of \$274 million (Figure 3). Spending in these critical areas of student support, such as Early Literacy for All and Investments in Special Education, is far behind projections.

DOE staff provided financial details and explanations for this underspending. In some cases, pandemic-related delays, hiring difficulties, and supply chain issues have delayed programming roll outs. Other programs have taken time due to contracting and procurement processes. For example, less than \$80,000 of the expected \$10 million has been spent on the Community Schools in Every District initiative. School Allocation Memorandum (SAM) 98 for that expansion went out to schools on April 1, 2022. DOE notes that this allocation is for planning activities for new community schools only and involved a prolonged RFP, procurement, and community engagement process. DOE expects that by the end of June these planning expenditures will match projections, while the investment in establishing those new Community School programs will take place next year.

Delays and underspending of federal Covid funds by school systems are an issue across the country, as reporting by Chalkbeat has revealed.<sup>2</sup> Labor shortages and supply chain issues have presented challenges for schools in hiring tutors or renovating buildings. In some cases, where funding has been given directly to schools, principals have faced challenges hiring teachers for after school or enrichment programs.<sup>3</sup> For schools in NYC this lack of spending can be significant, as they will be expected to return unused stimulus funds to DOE.

## Questions of Equity

The \$1.4 billion spent to date represents stimulus allocations of approximately \$1,500 per public school student. DOE has indicated its intention to center equity in allocating the \$350 million Academic Recovery funding described in the programmatic spending update, a broad allocation of stimulus money available to schools, by developing a formula to target this funding to schools with high concentrations of need.

However, as shown in Figure 4, at the district level, there does not appear to be a tight correlation between per student stimulus allocations and need, estimated in this analysis by low-income student enrollment. With only 32% of those funds spent, it is difficult to discern if the lack of correlation is due to a slow rollout or schools not accessing or effectively using the funding.

District 75 schools, which enroll almost exclusively special education students, do have amongst the highest levels of stimulus allocations per student. However, recent reports of ineffective, inconsistent afterschool programming for special needs students calls into question the efficacy of spending, clearly signaling the need for specific metrics to track outcomes for these initiatives.<sup>4</sup>

## Opportunity to Redouble or Reconsider Efforts

Spending delays mean that schools are failing to provide urgently needed additional support to students during the critical 2021-22 school year, as most students returned to full-time, in-person learning after the trauma of the prior two school years. Nonetheless, since DOE can roll over unspent federal funds to FY 2023 (augmenting the \$1.8 billion already budgeted for next year), it does provide an opportunity to review spending priorities.

In some areas, DOE could demonstrate an ongoing commitment to previously adopted initiatives. For example, spending on the Universal Mosaic Curriculum and expansion of restorative justice programs currently stands at just 8% and 5% of expectations, respectively. These initiatives are intended to serve as cornerstones of an effort to ensure culturally responsive curricula in every school and support schools in fostering an anti-racist, inclusive, affirming culture, in light of a pandemic that shined a harsh spotlight on pre-existing inequalities in our city.

In other cases, DOE will have the opportunity to consider alternative uses of unspent federal funds. For example, DOE could consider using federal Covid recovery funds to provide salary parity to teachers and staff at community-based preschool special education programs, increase targeted support for English language learners, or to expand the Learn to Work program to create a more robust systemwide paid internship program for high school students.

When DOE releases an updated stimulus spending plan in the coming weeks, additional transparency would help ensure that these critical federal stimulus dollars are being spent effectively and equitably and on the programs that best address the growth and wellbeing of our students.

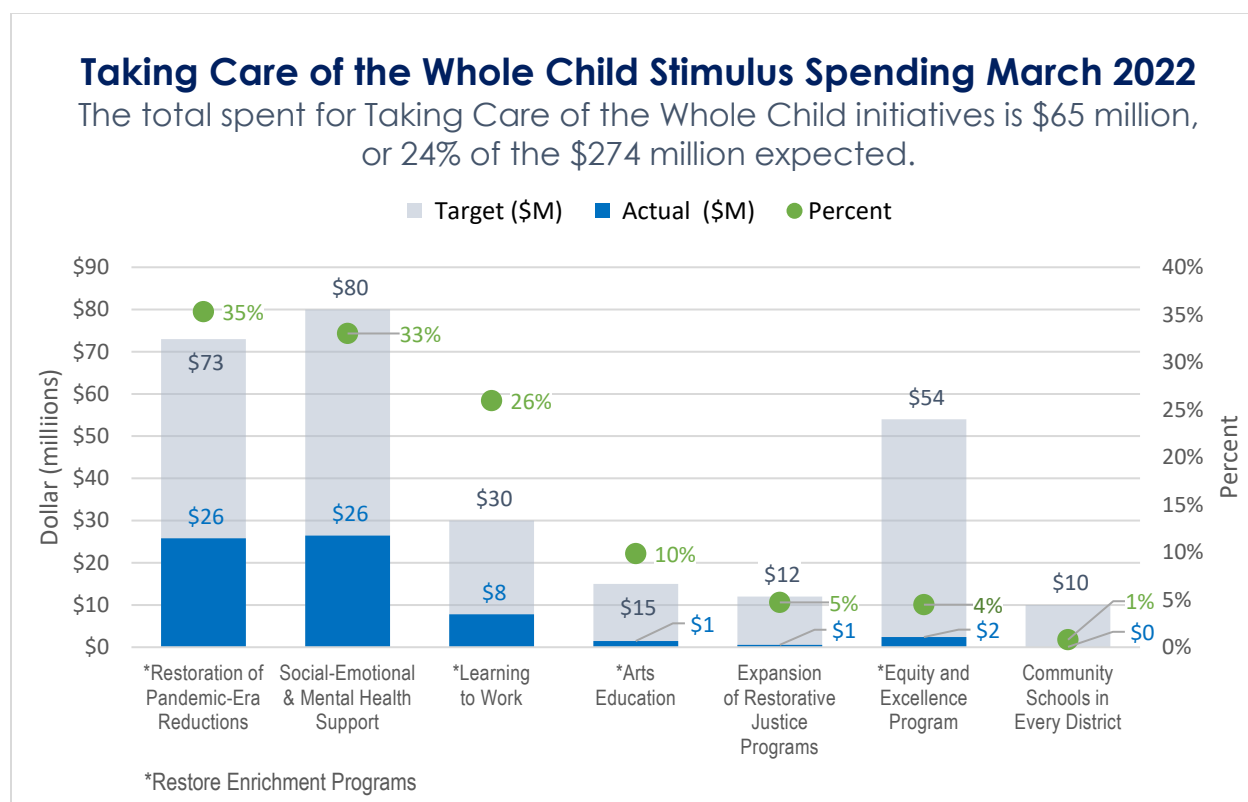
## DOE Stimulus Spending Data

Figure 1

Re-Opening with Health & Safety (\$M)				
	Target	3/22 Status	Variance	Percent
Reopening Costs	\$135.00	\$107.41	\$27.59	80%
Accessibility & Infrastructure Work	\$70.00	\$5.01	\$64.99	7%
Summer Rising	\$100.00	\$70.26	\$29.74	70%
PSAL Restart & Expansion	\$21.00	\$9.96	\$11.04	47%
Maintain Current Services	\$823.00	\$526.17	\$296.83	64%
All Other	\$175.00	\$137.11	\$37.89	78%
<b>Total</b>	<b>\$1,324.00</b>	<b>\$855.93</b>	<b>\$468.07</b>	<b>65%</b>

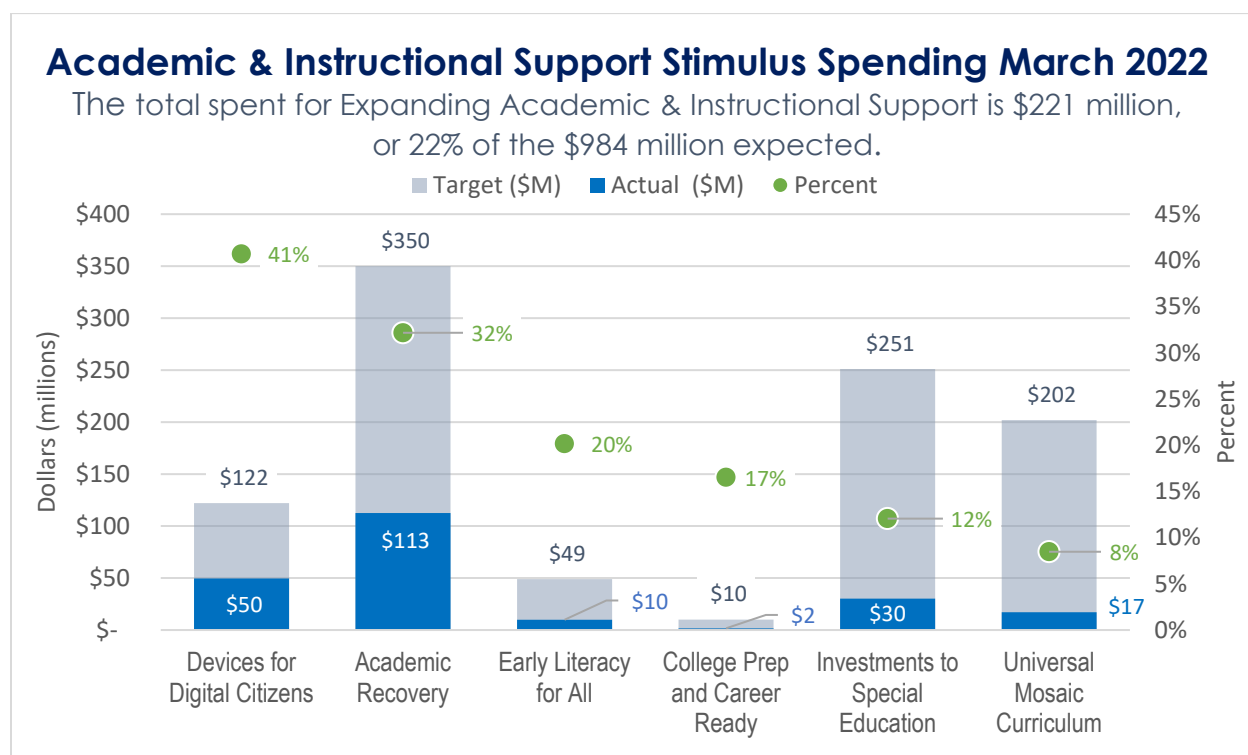
Source: New York City Department of Education

Figure 2



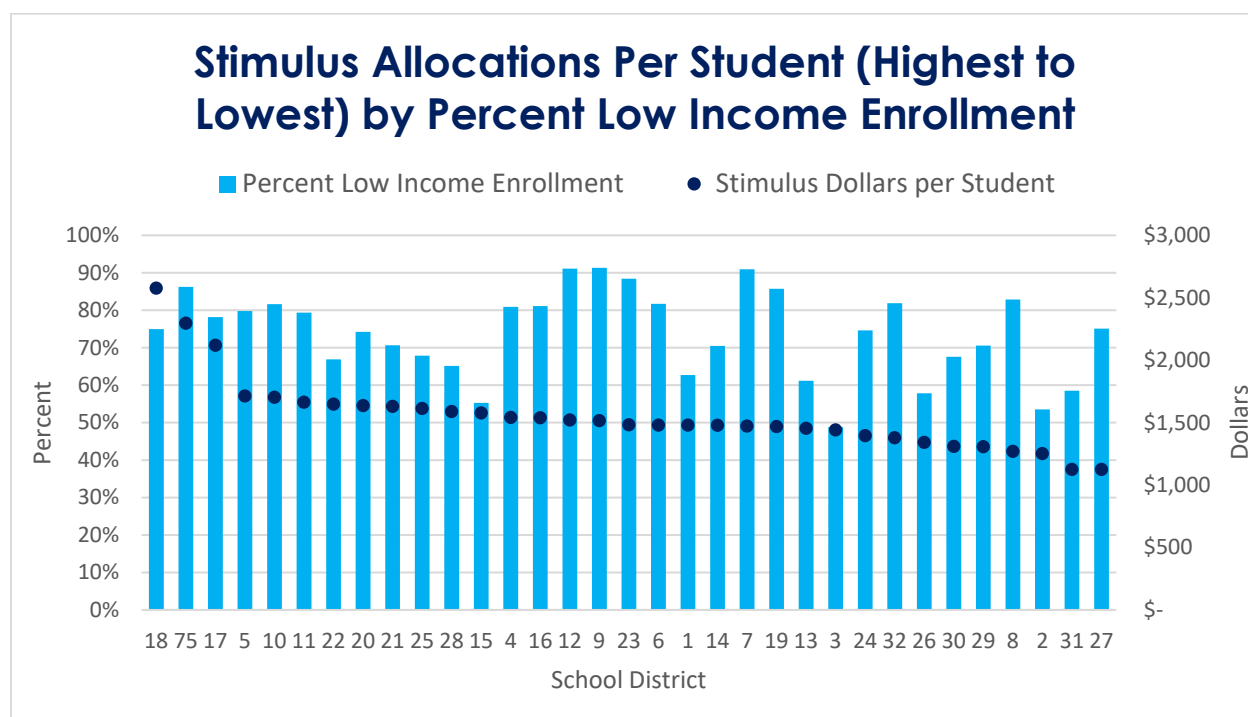
Source: New York City Department of Education

**Figure 3**



Source: New York City Department of Education

**Figure 4**



Source: New York City Department of Education and [NYSED Information and Reporting Services](#) Public School Enrollment 2021-22

# Endnotes

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<sup>1</sup> [Updates on American Rescue Plan \(ARP-ESSER\) & Foundation Aid Funding](#), New York City Department of Education.

<sup>2</sup> [“U.S. schools are flush with cash, but struggling to spend it on schedule,”](#) by Matt Barnum, Chalkbeat, Mar 15, 2022

<sup>3</sup> [“NYC schools received a windfall in relief dollars. Some are struggling to spend it,”](#) by Reema Amin, Chalkbeat, Feb 28, 2022

<sup>4</sup> [“NYC created a massive after-school program to help all students with disabilities catch up after COVID disruptions. Most never showed up.”](#) by Alex Zimmerman and Yoav Gonen, Chalkbeat, April 7, 2022.