Discussant comments for

"Intergovernmental Grants to School Districts and Educational Outcomes During the COVID-19 Pandemic"

Summary:

- Authors exploit discontinuity in Title I aid at 5 percent of students eligible.
- Focus on the *difference in* discontinuities relative to 2019 because districts were already receiving more federal dollars in baseline (and previous) years.
- Findings:
  - Positive effects on
    - Enrollment count
    - Cell phone use during 2020-21 (implies earlier return to in person).
    - Central office staffing per pupil
  - No discernible effect on
    - Chronic absentee count
    - Math or reading achievement
    - COVID cases per 100,000. (Implied infections per in-person student?)
    - Teachers per student
    - District expenditures per student
  - Negative effects on
    - Local revenues per student

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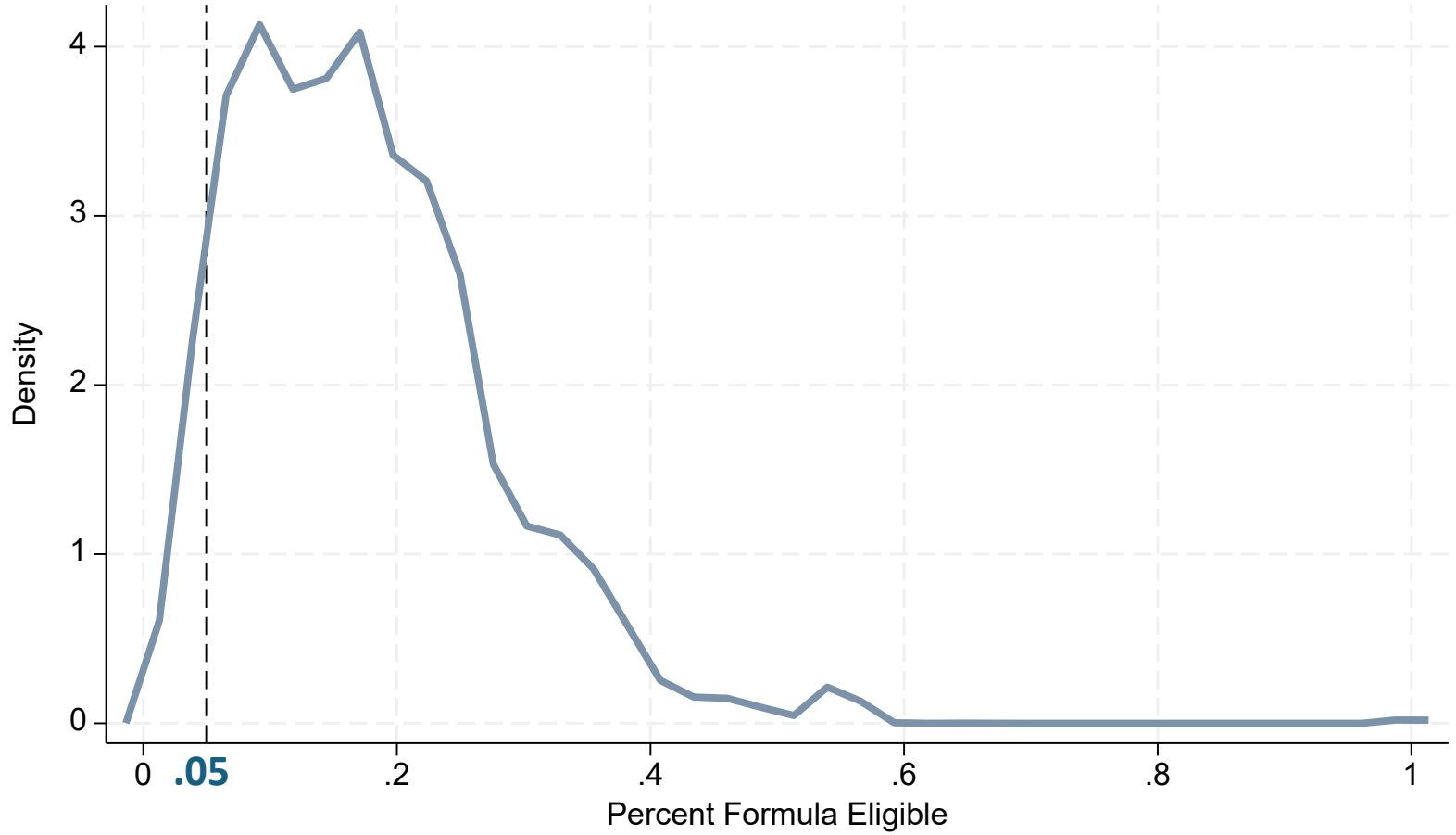
"Intergovernmental Grants to School Districts and Educational Outcomes During the COVID-19 Pandemic"

1. **LATE applies to the highest income decile of districts.**

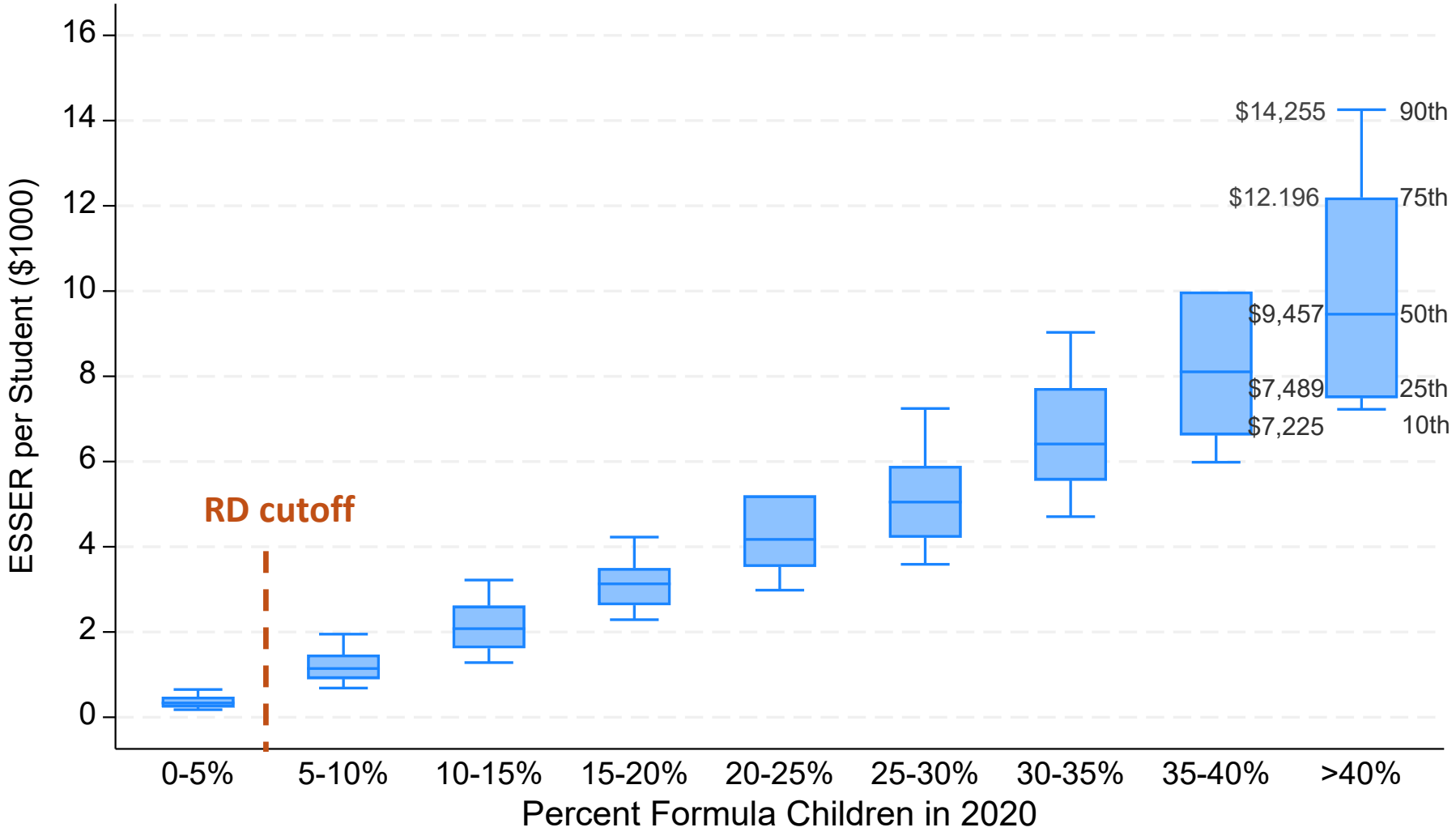
Cut-off is within the top decile of district income.



Discussant comments:

1. LATE applies to highest income districts.
2. **The vast majority of the federal funds went to middle and low-income districts.**

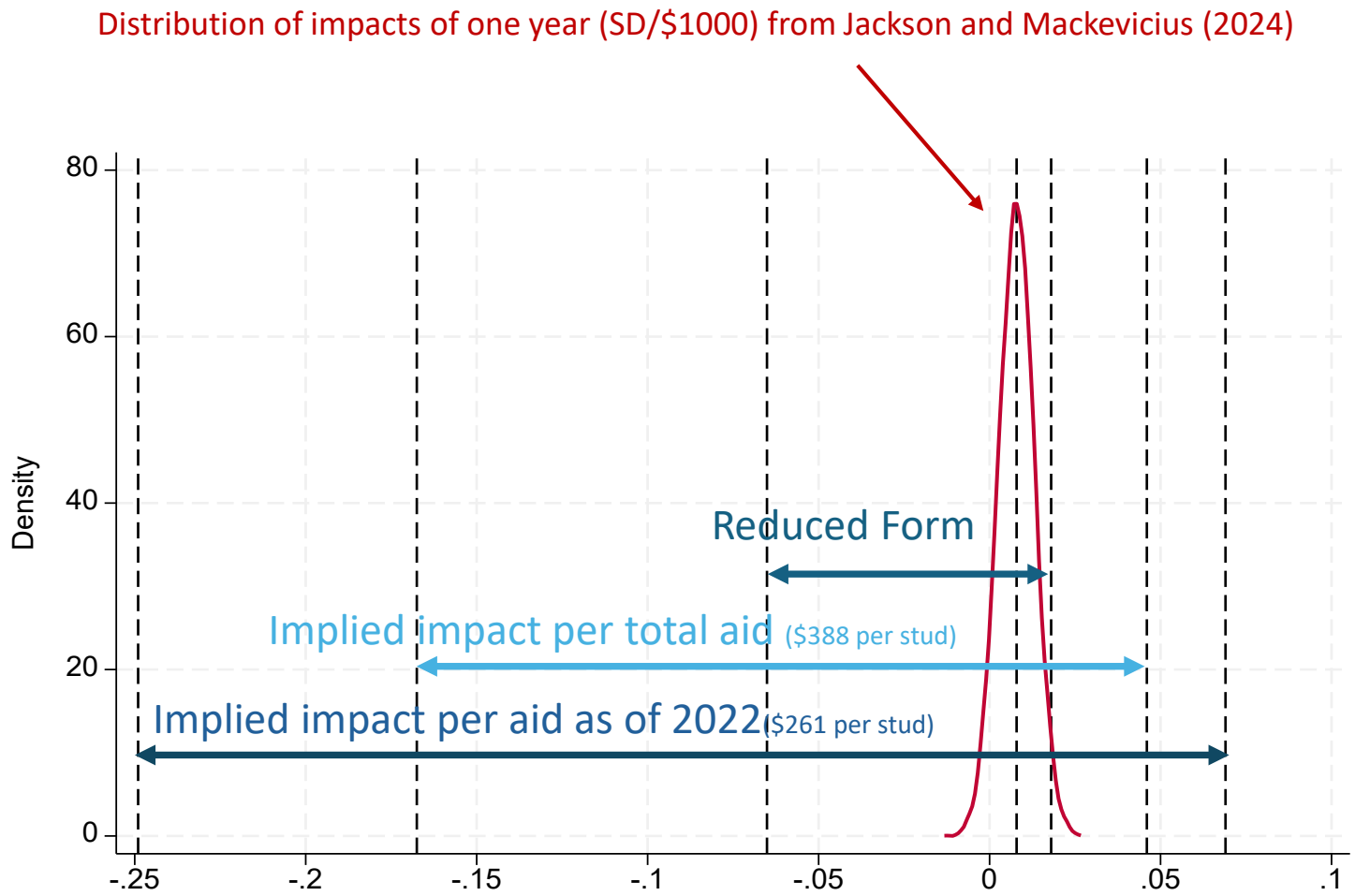
Most ESSER spending was far from 5 percent cutoff



Discussant comments:

1. The LATE applies to highest income districts.
2. The vast majority of the ESSER funds went to middle and low-income districts.
3. **RD lacks power to detect expected impacts of spending per student.**

Assessing power relative to literature on impacts of spending.



Confidence intervals include zero as well as estimates from prior literature.

Jackson, C. Kirabo and Claire Mackevicius (2024) "What Impacts Can We Expect from School Spending Policy? Evidence from Evaluations in the United States" *American Economic Journal: Applied Economics*, Vol. 16, No. 1: 412–446 https://doi.org/10.1257/app.20220279

Discussant comments:

1. The LATE applies to highest income districts.
2. The vast majority of the ESSER funds went to middle and low-income districts.
3. RD lacks power to detect expected impacts of spending per student.
4. **Most important contribution is on crowd-out of local revenue.**

Flypaper or crowd-out?

- Finding: No increase in expenditures, increase in district staff, large decline in local tax revenue (-$907/pup loc rev ↓ > $388 ESSER)

Given temporary nature, what would theory underlying flypaper predict?

- Federal relief was known to be temporary (10x previous Title I).
  - Gordon (2004) used permanent shift due to new decennial census.
- Lower tax rates now mean raising tax rates later.
- Also hiring now means layoffs later.

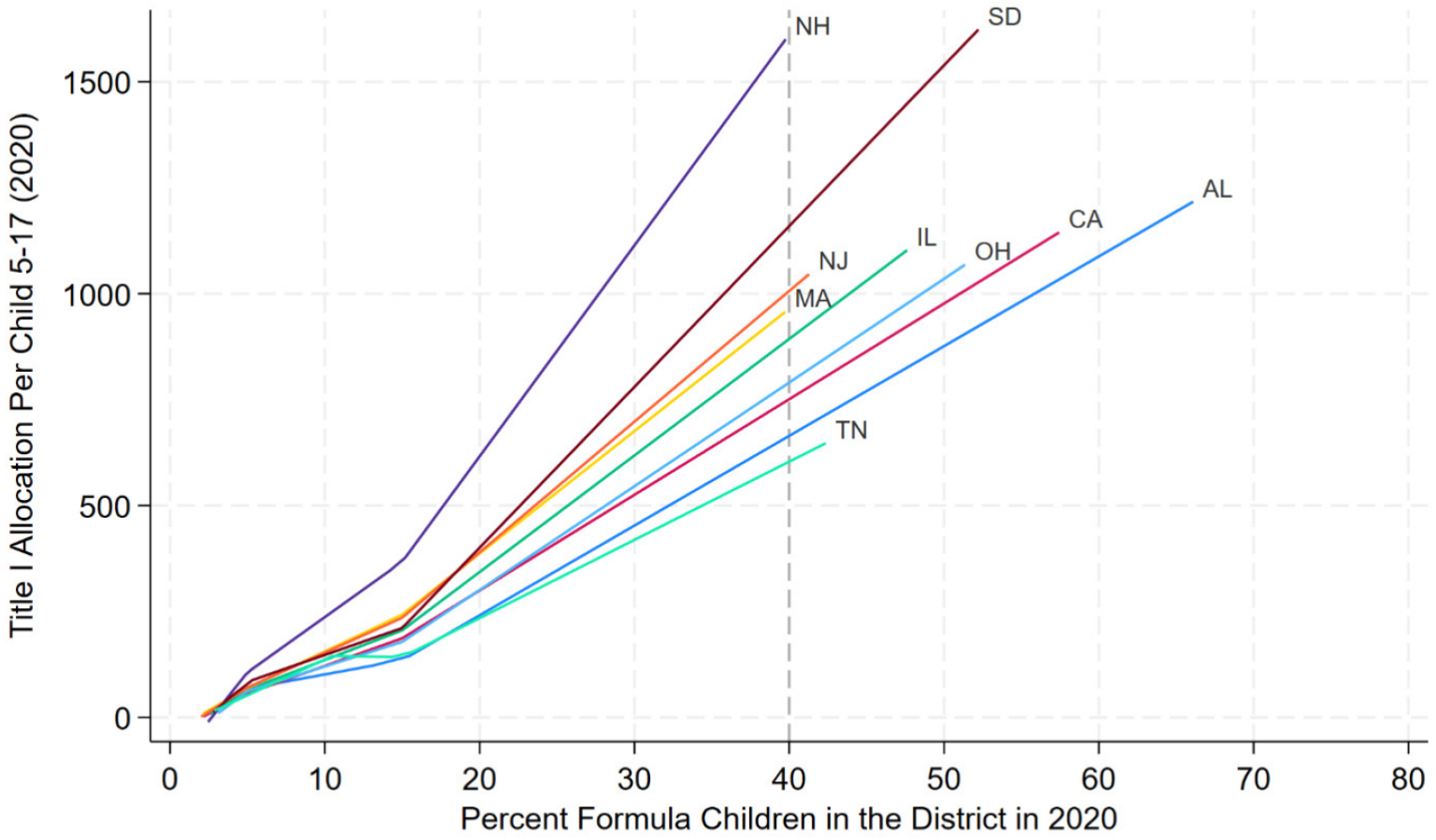
- Would expect funds to pay for capital improvements (such as athletic fields and HVAC systems). *(New federal data detail ESSER spending by category through FY23.)*

Discussant comments:

1. The LATE applies to highest income districts.
2. The vast majority of the ESSER funds went to middle and low-income districts.
3. Lacks power to detect expected impacts of spending.
4. Most important contribution is on crowd-out of local revenue.
5. **Other possible sources of identification:**
    a. **Different slopes in state formulas**
    b. **Sampling variation in SAIPE**

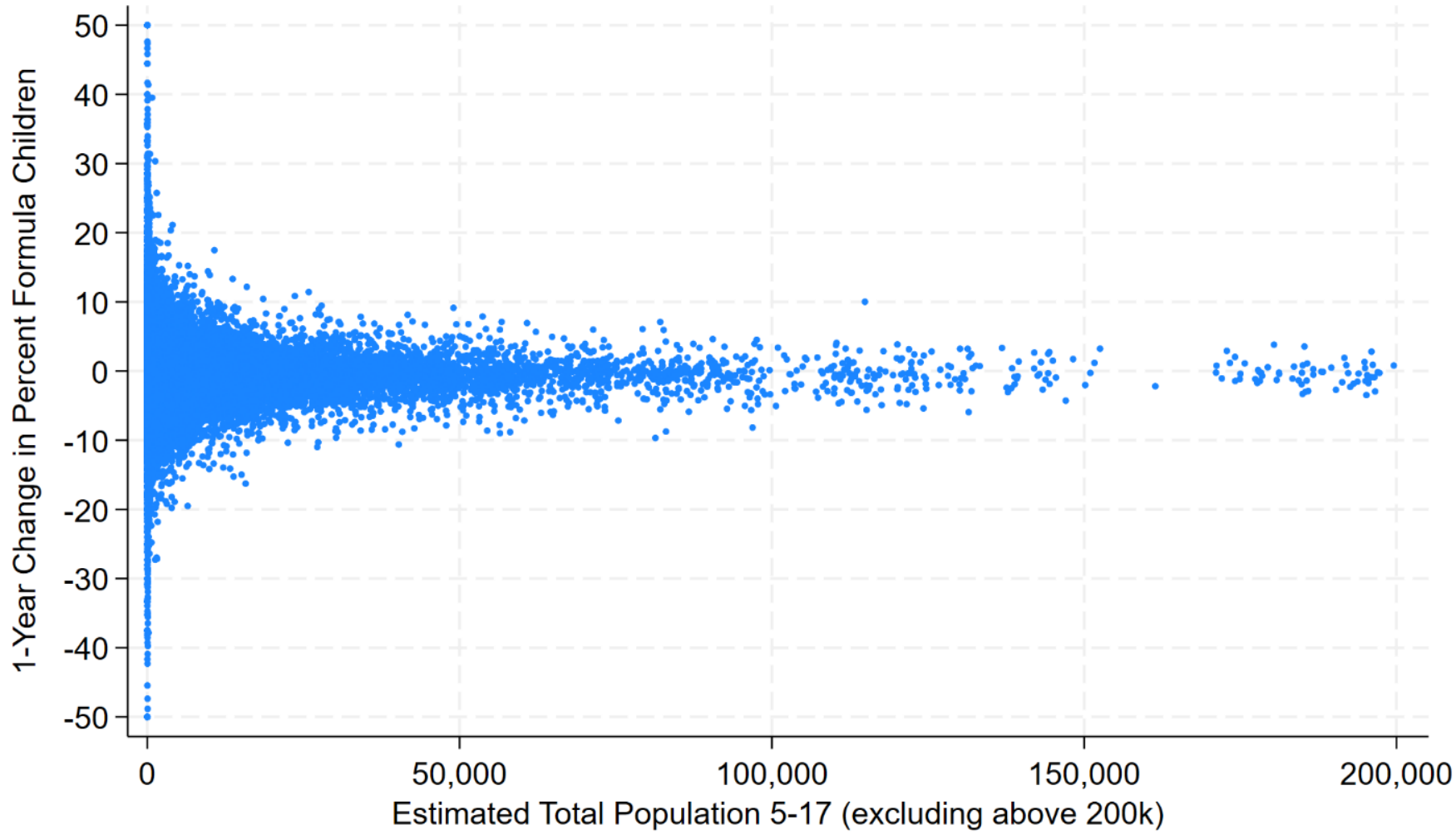
Similar Districts Receive Different Title I Grants (especially in small states)

FIGURE 7. DIFFERENCE IN TITLE I ALLOCATIONS BY PERCENT OF CHILDREN ELIGIBLE BY STATE



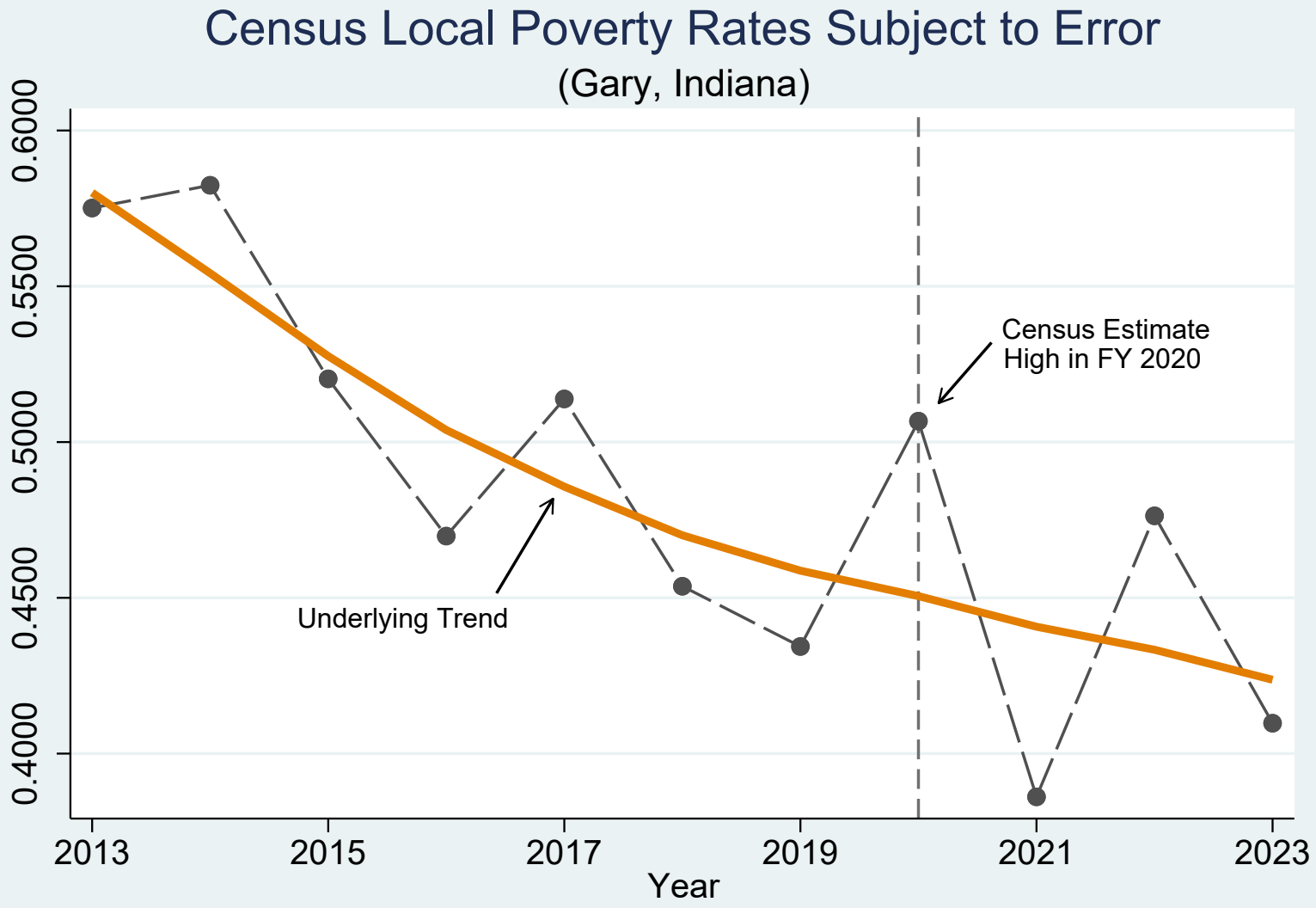
Evidence of Sampling Variation in SAIPE Poverty Estimates

Single-year Changes in Percent of 5-17 Year Olds Title I Eligible by District Size, FY 2013-2023



Note: Figure excludes districts with more than 200,000 5–17-year-olds and districts with greater than a 50 percentage point change in the proportion of children meeting the Title I eligibility definition.

Example: Gary Indiana Received ESSER Windfall because FY20 Poverty High



Gary saw a $3m increase (23%) in Title I funds between 2019 and 2020.

Translated into $26 million increase in ESSER relative to trend.

Smaller points:

- ESSER I was based on FY2019 Title I, while ESSER II and III based on FY 2020.
- Jackson and Mackevicius (2024) estimate is effect over 4 years, not per single year.
- Prefer to see enrollment per population 5-17 given diffs in district size
- Prefer to see chronic absenteeism per student (also see Dewey et al. 2025 for simple conversion to absentee rates)
- Why use cellphone data to measure reopening, rather than data from AEI or Oster on weeks closed during 2020-21? (Latter two are more consistent with each other than with Safegraph data.)
- Language too strong: "We find that ESSER funds do not increase test scores…If anything, our point estimates are negative." Cannot reject Jackson and Mackevicius (2024).
- You write, "Our difference-in-discontinuities design can identify the causal effect of additional ESSER funds on outcomes at our qualification cutoff; we cannot untangle the causal relationship between the outcome variables themselves". Why even speculate that evidence suggests earlier openings did not cause higher infection rates?
- Worth noting that language of ARP contained maintenance of effort requirements for state, but not local revenue sources.
- Other relevant citations:
  - Goldhaber, Kane, McEachin, Morton, Patterson, Staiger (2023) "The Educational Consequences of Remote and Hybrid Instruction during the Pandemic" American Economic Review: Insights vol. 5, no. 3, September 2023 (pp. 377–92)
    - While Halloran et al. use district level proficiency rates (which differ by states), this paper used student-level data on a standardized test to compare impacts within as well as across schools.
  - Dewey, Fahle, Kane, Reardon, Staiger (2024) Federal Pandemic Relief and Academic Recovery. https://educationrecoveryscorecard.org/wp-content/uploads/2024/06/June2024ERS-Report.pdf
    - This represents our attempt to measure impacts on achievement. We updated it in 2025 with similar results.