The State Examiner: August 2024

A monthly, national look at State-by-State legislative issues, trends, and tips, empowering AESA members as education advocates

The State Examiner is a monthly report curated by the Association of Educational Service Agencies (AESA). It provides legislative monitoring, news articles, and related content gathered from the fifty states. The purpose of the monthly report is to ensure AESA members are aware of the latest state-level education policy, funding issues and trends, and state-level news that are impacting educational service agencies (ESAs), their client schools and districts. Each report also includes advocacy tips to activate and empower our members to be informed, effective education advocates.

STATE LEGISLATIVE ISSUE MONITORING

In each edition of the *State Examiner*, AESA monitors state-level legislation and legislative trends impacting educational service agencies and their client schools and districts. This month's report for August 2024 will examine state-level fiscal conditions.

Inside this Edition
- State Legislative Issues Monitoring
- State Budget & Finance Monitoring
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Overview of Current State Budget and Fiscal Conditions in the United States

Current State Budgets

As of FY 2024, many states have enacted their budgets, with some states operating on biennial budgets that cover both FY 2024 and FY 2025. For instance, 16 states enacted biennial budgets last year, and several governors have released supplemental or revised budget recommendations for FY 2025. Most states begin their fiscal year on July 1, with a few exceptions such as New York (April 1), Texas (September 1), and Michigan (October 1).

Budget and Tax Policy Trends

Several key trends are shaping state budgets and tax policies across the United States:

- *Increased Spending on Education and Healthcare*: Many states are prioritizing investments in education and healthcare.

- *Economic Development and Workforce Investments*: States are focusing on economic development and workforce training to address labor market needs and stimulate economic growth.

- *Tax Policy Adjustments*: States are adjusting their tax policies to balance their budgets. This includes both tax cuts and increases, depending on the state's fiscal health and policy priorities.

In each of these areas it is important for educational service agencies to communicate the role they are playing so that states build off and leverage the knowledge and capacity of those organizations rather than building new or competing structures.

Common Budget Challenges Faced by States in 2025

- *Decline in Federal Pandemic Assistance* **-** The expiration of federal pandemic assistance is a significant challenge. States had previously benefited from substantial federal funds, which helped bolster their budgets during the COVID-19 pandemic. As these funds wane, states are facing tighter budgets and increased pressure to find alternative revenue sources or cut spending. Strategic resource allocation with an eye toward sustainability is a critical conversation.

- *Revenue Shortfalls* **-** Many states are experiencing revenue shortfalls due to a combination of factors, including tax cuts enacted in previous years, slower economic growth, and inflationary pressures. For instance, states were projected to collect $13 billion less in taxes in FY 2024, and general fund revenues are expected to decline by 1.8%.

- *Increased Medicaid Costs* **-** Medicaid remains a significant budget pressure for states, accounting for about 30% of total state spending. Rising costs due to high-cost drugs, workforce shortages, and demographic changes are straining state budgets. States are implementing strategies to control Medicaid spending to ensure the program's sustainability. These realities create mounting pressure on other areas of general government including primary and secondary education which, for most states, is the second largest GRF and All-funds budget category.

- *Economic Uncertainty* **-** Economic factors such as inflation, weak stock market performance, and slower growth in consumption are contributing to budget challenges. These economic conditions affect state revenue collections and necessitate careful fiscal planning to avoid deficits.

- *Structural Deficits* **-** Some states are grappling with structural deficits where ongoing spending exceeds ongoing revenue. This issue is exacerbated by past policy decisions to increase spending and cut taxes, which were sustainable during periods of federal aid but are now leading to budget imbalances. States like Pennsylvania and Alaska face long-term budget deficits that require either spending cuts or revenue increases to address.

- *Long-term Liabilities* **-** States with significant long-term liabilities, such as pension obligations, are particularly challenged. For example, Illinois spends roughly 20% of its general fund on public employee pensions due to decades of underfunding, contributing to its budget deficits.

- *Spending Cuts and Adjustments* **-** To address budget shortfalls, many states are making spending cuts or delaying planned expenditures. For instance, California's 2025 budget includes significant cuts to close a $46.8 billion deficit. These adjustments are necessary to balance budgets but can impact public services and investments. States, unlike the federal government, generally have balanced budget requirements and 30 have enacted some form of tax or expenditure limits (TELs) in their statutes or state constitutions restricting the ability to raise taxes, spend money, or incur debt.

Implications for State Budgets in 2025

Given the realities outlined above the following implications and related responses may be prevalent across the states:

- *Sustainability of Services*: States will need to find ways to sustain essential services like healthcare and education without the cushion of federal pandemic funds.

- *Balancing Budgets*: States will have to balance their budgets by either increasing revenue through taxes or cutting spending, which could affect public services and infrastructure investments.

- *Economic Resilience*: States must build economic resilience to manage the impacts of inflation and slower economic growth on their revenues.

- *Competition for finite resources*: State budgets contain finite resources and have many constituencies. State legislatures will need to balance the interests to provide continuity and stability while also investing in priorities. Advocates will need to be able to convey their value proposition and how it advances state priorities.

Medicaid Budget Pressures Will Impact Overall Spending Patterns

Medicaid budget pressures and related policy actions are expected to significantly impact overall state spending in 2025 due to several key factors:

- *Expiration of Federal Pandemic Aid* **-** The expiration of enhanced federal Medicaid aid, which was provided during the pandemic, will increase the financial burden on states. This aid had temporarily reduced the share of state funds needed for Medicaid, but as it concludes, states will need to allocate more of their own resources to cover Medicaid costs.

- *Rising Medicaid Costs* - Medicaid costs are projected to rise dramatically, with states expecting increases in spending due to factors such as provider rate increases and elevated enrollment levels. For example, state costs rose by 13% in fiscal 2023 and are expected to increase by an additional 17.2% in fiscal 2024. These rising costs will require states to allocate a larger portion of their budgets to Medicaid, potentially at the expense of other priorities like education and infrastructure.

- *Impact on State Budgets* **-** Medicaid is a significant expenditure for states, second only to K-12 education in GRF spending in many cases. As Medicaid's share of state budgets increases, it will constrain the availability of funds for other essential services. States will face difficult decisions about where to cut spending or how to increase revenue to maintain balanced budgets.

- *Federal Policy Changes* **-** Potential federal policy changes, such as those proposed in the "Project 2025" plan, could further impact state Medicaid budgets. This plan suggests converting federal Medicaid funding to block grants or per capita caps, which would cap federal contributions and shift more costs to states. Such changes could force states to make significant cuts to Medicaid eligibility, benefits, and provider reimbursement rates, or alternatively take from other parts of general government including K-12 education to maintain social safety net programs.

The growing Medicaid expenditures create cost pressures in other areas of state government including K-12 education and should be closely monitored. While it may not seem like an issue K-12 education should be watching it is a budgetary Pac-man. It may, also, provide a new stream of revenue for educational service agencies participating directly or indirectly in state Medicaid in schools programs or looking to implement or support school-based healthcare services.

Medicaid Related Implications for State Spending in State Fiscal Year 2025

To follow are several of the Medicaid-related implications for state spending in SFY 2025:

- *Budget Constraints:* States will need to carefully manage their budgets to accommodate rising Medicaid costs. This may involve reallocating funds from other areas or finding new revenue sources.

- *Potential Cuts***:** Without sufficient federal support, states may have to consider cuts to Medicaid programs, which could reduce access to healthcare for low-income individuals.

- *Policy Adjustments:* States might need to implement cost-containment strategies to manage Medicaid spending, such as reducing provider rates or limiting benefits.

Ultimately, Medicaid budget pressures will necessitate strategic financial planning and prioritization by state governments to ensure the sustainability of Medicaid programs while balancing other fiscal responsibilities.

Overall Implications for State Budgets in SFY 2025

Looking ahead to SFY 2025 and beyond, several implications arise from current budget trends:

- *Sustainability of Increased Spending*: States that have increased spending significantly, especially using federal recovery funds, may face challenges in sustaining these expenditures as federal funds wane.
- *Balancing Act*: States will need to balance the need for continued investment in critical areas like education and healthcare with the necessity of maintaining fiscal responsibility and avoiding deficits.
- *Economic Uncertainty*: Economic conditions, including inflation and potential recessions, will impact state revenues and expenditures, requiring states to be flexible and adaptive in their budget planning.

Ultimately, by recognizing these considerations and strategically aligning their advocacy efforts, education lobbyists and advocacy groups can effectively influence state budgets to address their priorities.

STATE BUDGET & FINANCE MONITORING

AESA monitors state level budget and finance news impacting preschool and primary and secondary education. These curated articles can provide insights into what is happening in your state and

collectively across the U.S. The latest state budget and finance-related news for August 2024 follows below.

How Georgia's $36 Billion Budget Will Impact K-12 Schools and Higher Education
Capital B Atlanta

Kentucky meets conditions for lawmakers to cut income tax in 2026
ABC News

Texas schools got billions in federal pandemic relief. It is coming to an end as the school year starts.
The Texas Tribune

Colorado to give teachers $2.7 million to help stock up on supplies for new school year
Denver Post

Public school educators are calling for a post-pandemic reset. Can it be done?
ABC News

These 50 Pa. school districts are getting extra money because of their high tax burdens
WHYY News

Schools stare down fiscal cliff as federal pandemic aid runs out
The Fifty via Politico

State superintendent calls on Michigan lawmakers to pass supplemental budget
CBS News

School vouchers were supposed to save taxpayer money. They blew a hole in Arizona's budget
Dallas News

STATEHOUSE NEWS: EDUCATION POLICY

Each month AESA finds representative examples (with links) of **news items** coming out of the states or impacting the states that may be of interest to ESAs and their client schools and districts:

Iowa AEAs Lose 429 Staff as School Year Starts
KCCI

Northwest AEA Staff Levels down 12% in New School Year
Sioux City Journal

CCPA Opens Doors to New Opportunities for Young Adults in Need of Diploma
OCDE Newsroom

STEAM reading challenge for students prepares to Launch this Fall in partnership with Organce county department of Education.

[Berrien RESA Offering $10,000 in Classroom Innovation Grants](#)

[Pa. awards learning grants](#)

STATE & NATIONAL REPORTS IMPACTING EDUCATION

AESA monitors state and national reports highlighting state-level information of interest to ESAs. As always, it is important to view these reports through a critical lens with attention to research design, methodology, data sources and citations, peer review, and publication venue. This month AESA spotlights reports and national surveys from The Walton Family Foundation and Gallup, FutureEd, and Attendance Works.

[Voices of Gen Z Study 2024](#)
The Walton Family Foundation (WFF) and Gallup have partnered for a multiyear study of American youth experiences and perspectives on education, learning and personal growth. The latest Gallup-WFF Gen Z study is focused on how young people think about themselves, their school and their future possibilities. The study explores Gen Z's perspective on their education, personal lives and more.

[Rhode Island's Statewide Strategy for Addressing Chronic Absenteeism](#)
Among the dire educational consequences of the pandemic, the impact on student absenteeism stands out. Under the leadership of Governor Daniel McKee, the Rhode Island Department of Education has built a statewide coalition of mayors, business leaders, hospitals and other stakeholders beyond the state's education ecosystem to get students back to school—a strategy that is yielding impressive early results. This report, researched and written by FutureEd, tells the story of this pioneering response to Rhode Island's absenteeism crisis and its potential to help other states and localities address the absenteeism crisis in public education. FutureEd is an independent think tank at Georgetown University's McCourt School of Public Policy.

[Stemming the Surge in Chronic Absence: What States Can Do, A Fourth Annual Review of State Attendance Policy and Practice](#)
Reversing today's chronic absenteeism requires state leaders to make reducing chronic absence a priority. This policy brief highlights how states are building the capacity of districts and schools struggling to implement effective responses to unprecedented chronic absence levels, and how state leaders and educators could make a difference in school attendance with new policies and practices.

AUGUST 2024 MONTHLY ADVOCACY TIP

In today's rapidly evolving digital landscape, organizations are increasingly turning to technology to amplify their efforts and engage with a broader audience at local, regional, and state levels. This is true for public education organizations, like educational service agencies (ESAs) and the statewide networks

or associations that support them, looking to enhance results-oriented advocacy efforts. The August 2024 advocacy tip explores Digital Advocacy Tools.

Leveraging Digital Advocacy Tools: Streamlining Efforts and Enhancing Engagement

Digital advocacy tools, including grassroots platforms, social media, and other mainline technologies, are quickly becoming indispensable in modern advocacy strategies. These tools not only streamline advocacy efforts but also provide valuable insights into engagement metrics, enabling organizations to refine their approaches and achieve greater impact. This is becoming increasingly important for public education advocates and stakeholders that must find ways to reach more people, through more mediums, in more efficient and effective ways to counter competing interests and advance policy priorities that drive improvement for all students.

This month's advocacy tip explores the importance of these tools, their benefits, and how to overcome implementation challenges to launch successful, efficient and effective advocacy campaigns in support of ESA and client district priorities.

The Importance of Digital Tools in Advocacy Campaigns

Digital tools are a crucial part of advocacy campaigns in achieving a broader reach, supporting real-time engagement, providing data-driven insights, and reducing costs often associated with traditional advocacy methods.

Outlined below are some of the Key Digital Advocacy Tools available today:

- *Grassroots Platforms* - Grassroots platforms are designed to mobilize supporters and facilitate collective action. These proprietary platforms often include features such as petition creation, email campaigns, and event organization. By leveraging grassroots platforms, advocacy groups can:

  - Mobilize Supporters Quickly: These platforms enable rapid mobilization of supporters, allowing for swift responses to emerging issues or legislative developments.

  - Coordinate Campaigns: Grassroots tools help in coordinating large-scale campaigns by providing centralized communication channels and organizing resources effectively.

  - Empower Individuals: By giving supporters the tools to take action, grassroots platforms empower individuals to become active participants in advocacy efforts.

- *Social Media* - Social media is a powerful tool for advocacy, offering unparalleled reach and engagement potential. Key benefits include:

  - Viral Potential: Social media campaigns can go viral, exponentially increasing the visibility of advocacy messages and attracting new supporters.

  - Targeted Advertising: Platforms like Facebook and Instagram offer advanced targeting options, allowing organizations to reach specific demographics and tailor messages accordingly.

- Interactive Content: Social media supports diverse content formats, including videos, infographics, and live streams, which can enhance engagement and convey complex messages effectively.

- ***Mainline Technologies*** - Beyond grassroots platforms and social media, other more traditional, mainline digital technologies play a vital role in advocacy:

  - Email Marketing: Email remains a powerful tool for advocacy, enabling direct communication with supporters. With advanced segmentation and automation features, organizations can deliver personalized messages that resonate with their audience.

  - Webinars and Virtual Events: These tools facilitate knowledge sharing and community building, allowing advocates to connect with experts and peers from around the world.

  - CRM Systems: Customer Relationship Management (CRM) systems help organizations manage supporter data, track interactions, and personalize engagement strategies.

What are Benefits of Leveraging Digital Tools?

Digital solutions offer a range of benefits for advocacy efforts, enhancing efficiency, reach, and effectiveness. Here are six of the key advantages of using digital solutions for advocacy:

1. Enhanced Reach and Accessibility
   - Broader Audience: Digital tools allow advocacy campaigns to reach a larger audience, breaking geographical barriers and enabling organizations to connect with supporters not only in their communities but across states, nationally, and even globally.
   - Real-Time Communication: Mobile technology and social media enable real-time updates and interactions, fostering dynamic and responsive advocacy efforts.

2. Cost-Effectiveness
   - Reduced Costs: Digital advocacy is often more cost-effective than traditional methods, as it reduces the need for physical materials and in-person events. Many digital tools are free or low-cost, making them accessible to a wide range of organizations. This can be particularly appealing to public sector organizations like ESAs and nonprofits that support them.
   - Scalability: Digital platforms allow for quick scaling of campaigns, enabling organizations to engage with large audiences without significant additional costs.

3. Improved Engagement and Mobilization
   - Interactive Platforms: Social media and other digital platforms facilitate interactive engagement, allowing supporters to participate actively in campaigns through comments, shares, and direct actions.
   - Community Building: Digital tools help build and maintain communities around specific causes, fostering a sense of belonging and encouraging sustained engagement.

4. Data-Driven Insights

- Analytics and Reporting: Digital tools provide robust analytics capabilities, allowing organizations to track engagement metrics, measure campaign effectiveness, and optimize strategies based on data-driven insights.
- Targeted Strategies: With access to detailed audience data, organizations can tailor their messaging and strategies to specific demographics, enhancing the relevance and impact of their advocacy efforts.

5. Flexibility and Adaptability
- Rapid Adaptation: Digital platforms allow for quick adjustments to strategies and messaging in response to real-time feedback and changing circumstances, ensuring that campaigns remain relevant and effective.
- Diverse Content Formats: Digital tools support a variety of content formats, including videos, infographics, and live streams, enabling organizations to convey complex messages effectively and engage diverse audiences.

6. Democratization of Advocacy
- Empowerment of Underserved Groups: Digital advocacy tools provide a platform for underserved communities to amplify their voices and participate in civic affairs, contributing to more inclusive and representative advocacy efforts. This is particularly powerful for public education, which is a cornerstone of American democracy.
- Ease of Participation: Online tools make it easier for individuals to engage in advocacy activities, such as signing petitions, contacting legislators, and participating in virtual events, increasing overall civic engagement.

Common Challenges in Digital Advocacy

Digital advocacy, while offering significant opportunities to reach and engage audiences, also presents several challenges. Here are some common challenges faced in digital advocacy and, importantly, strategies to overcome them:

1. Algorithm Changes - Social media platforms often update their algorithms, which can impact the visibility and reach of advocacy content.
- Solution: Stay informed about platform updates and adapt strategies accordingly. Focus on creating high-quality, engaging content that naturally performs well across different platforms. Diversifying your presence across multiple social media channels can also mitigate the impact of algorithm changes.

2. Information Overload - The sheer volume of content on digital platforms can make it difficult for advocacy messages to stand out and capture attention.
- Solution: Use unique and eye-catching visuals and storytelling techniques to make content memorable. Timing posts strategically to coincide with periods of high audience activity can also enhance visibility.

3. Maintaining Engagement - Sustaining audience engagement over time is challenging, especially when competing for attention in a crowded digital space.
- Solution: Vary content types and topics to keep the audience interested. Encourage two-way communication by asking questions and responding to comments. Creating recurring series or themed content can give followers something to anticipate.

4. Handling Negative Feedback - Public criticism or negative comments can be discouraging and potentially damaging to advocacy efforts.
- Solution: Develop a clear policy for responding to negative feedback. Address concerns promptly and professionally, using these interactions as opportunities to demonstrate commitment to the cause.

5. Resource Constraints - Managing an effective digital advocacy campaign can be resource-intensive, requiring time and personnel.
- Solution: Utilize social media management tools to streamline efforts and repurpose content across platforms to maximize efficiency. Involving volunteers or interns can also help manage workload.

6. Measuring Impact - Linking digital advocacy efforts to real-world outcomes can be difficult, making it challenging to assess the effectiveness of campaigns.
- Solution: Set clear, measurable goals aligned with overall advocacy objectives. Use tracking links and campaign-specific hashtags to monitor actions taken. Combining social media metrics with other data points, such as petition signatures or donations, can provide a comprehensive picture of impact.

7. Bridging the Gap Between Online and Offline Engagement - One of the significant challenges is ensuring that digital advocacy translates into real-world action. This involves bridging the gap between online activism and offline engagement.
- Solution: Integrate digital campaigns with offline activities to create a cohesive strategy. Encourage supporters to participate in offline events or activities that complement online efforts. This approach can help ensure that digital advocacy leads to tangible outcomes.

By understanding and addressing these challenges, advocacy organizations can optimize their digital strategies to achieve greater impact and foster meaningful change.

Conclusion

The integration of digital advocacy tools has significantly transformed the landscape of social and political activism, enabling organizations to enhance their outreach, engagement, and effectiveness. They allow educators to amplify their voice, engage diverse audiences, and drive meaningful change with local and state policymakers. Tools like grassroots platforms and social media allow for targeted, data-driven campaigns that can adapt in real-time. While challenges such as algorithm changes and maintaining engagement exist, strategic use of digital tools can overcome these hurdles. As we look to the future, it's clear that staying adaptable and informed about emerging digital trends will be crucial for advocacy success. As the digital environment continues to evolve so must we if we are going to drive meaningful change. Ultimately, embracing digital tools is crucial for creating lasting impact in today's interconnected world. Interpersonal relationships will always be integral to advocacy success. But, the future of advocacy will include digital, and those who harness its potential will be best positioned to shape the conversations and policies around public education that matter most.

SHARE YOUR ADVOCACY SUCCESS STORIES

AESA would like to highlight successful state-level advocacy campaigns. Share your triumphs in state advocacy with fellow members! Contribute to our newsletter by submitting your success stories – your experiences can enlighten and inspire others in navigating the often-complex landscape of state advocacy. Together, we can amplify our collective knowledge for the benefit of the entire AESA membership. Send your stories to info@aesa.us

STAY CONNECTED & INVOLVED

Have feedback for the AESA state advocacy team? Would you like to see a particular issue area addressed in future issues? Send feedback to info@aesa.us

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