

**Table 4 Supplement. Mediating Effects of Managerial Responses (ELA)**

	First condition	Second condition				Third and fourth conditions	
	ELA without mediator	Per-pupil general operating spending (in thousands)	Per-pupil instructional spending (in thousands)	Per-pupil debt service spending (in thousands)	Per-pupil other spending (in thousands)	ELA with mediator	ELA with mediator
<b>Financial Condition Measures</b>							
Per-pupil debt burden (log)	-0.053*** (0.017)	-1.218*** (0.282)	-0.189*** (0.060)	0.736*** (0.052)	-0.015 (0.067)	-0.053*** (0.017)	-0.050*** (0.017)
<b>Mediators</b>							
Per-pupil general operating spending (in thousands)						-6.51e-05 (0.002)	
Per-pupil instructional spending (in thousands)							0.016** (0.008)
<b>Control Variables</b>							
Population (log)	0.514** (0.213)	-1.765 (1.574)	-0.663 (0.510)	-0.164 (0.257)	-1.035 (0.902)	0.514** (0.214)	0.525** (0.216)
% Free-lunch eligibility	-0.010*** (0.001)	-0.009 (0.009)	-0.004 (0.004)	-0.001 (0.002)	-0.006 (0.007)	-0.010*** (0.001)	-0.010*** (0.001)
% English learners	0.035 (0.035)	-0.042 (0.061)	-0.016 (0.019)	-0.002 (0.012)	0.051 (0.041)	0.035 (0.035)	0.035 (0.035)
% Black	0.003 (0.007)	-0.002 (0.032)	0.067*** (0.018)	-0.006 (0.009)	0.096*** (0.026)	0.003 (0.007)	0.002 (0.007)
% Hispanic	-0.008 (0.006)	0.016 (0.020)	0.008 (0.010)	-0.021*** (0.006)	0.013 (0.019)	-0.008 (0.006)	-0.008 (0.006)
Per-capita personal income (in thousands)	0.026*** (0.004)	0.074*** (0.028)	-0.011 (0.013)	-0.010 (0.009)	-0.063*** (0.024)	0.026*** (0.004)	0.026*** (0.004)
Unemployment rate	0.007 (0.020)	0.203 (0.162)	-0.092 (0.060)	0.070* (0.036)	-0.124 (0.133)	0.007 (0.020)	0.008 (0.020)
Constant	-5.272*** (2.027)	25.880 (16.530)	18.900*** (4.959)	-3.528 (2.585)	20.550** (8.711)	-5.270*** (2.038)	-5.579*** (2.083)
Observations	5,939	5,939	5,939	5,939	5,939	5,939	5,939
R <sup>2</sup>	0.067	0.075	0.105	0.125	0.188	0.067	0.069
District FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Robust clustered standard errors in parentheses (clustered at the school district level); \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Note: The per-pupil debt burden is two-year moving averaged.