

Federal Stimulus Funding and FY21 Budget Update

January 15, 2021

The State Department of Education has issued preliminary information on the District's new federal stimulus payment.

To recap, the Coeur d'Alene School District has already received two main allocations of federal funds. The first allocation was ESSER money last spring which came to roughly \$1.6M. The second allocation was a disbursement of Idaho's Coronavirus Relief Funds (CRF) which came in just under \$3.5M.

ESSER I Funds

ESSER I funds are meant for continuation of services through the pandemic. Most districts consider ESSER I funds to be discretionary funding for any reasonable school district expense. Because of the flexibility of these funds, coupled with the cuts to state revenues and increasing operating costs, we built the ESSER I funds into the FY21 budget to backfill funding cuts. This ensured the District could continue services at a pre-pandemic level.

Coronavirus Relief Funds

Although the allocation was much higher than ESSER I funds, Coronavirus Relief Funds (CRF) guidelines are much more restrictive than ESSER I fund guidelines. CRF are for unbudgeted costs incurred to respond to COVID. The district used these funds for responding to COVID in a number of ways: from online curricular resources, to PPE, HVAC filters and safety measures, and a large portion was paid to staff to compensate them for the shift in their day-to-day responsibilities to run schools in a pandemic.

ESSER II Funds

The newest allocation coming to our district is ESSER II funding, from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). The State Department of Education reports that we will receive \$6.07M from this package, it is unknown at this time, but we may be required to allocate some portion of this funding to private schools in our district. Categorizing these as ESSER is good news, because they have a much broader range of uses than the CRF money. The State Department of Ed has prepared a memo discussing appropriate uses of the funds attached to this document.

Mid-Year Budget Changes

The Governor has proposed to change the appropriations budget for this year to reduce the discretionary allocation and restore the hold on Career Ladder movement. The impact to the school district would be a cut of an estimated \$2.4M to discretionary funding, with the

anticipation that about the same amount of funding would go into revenue for salaries. The concern with this change is that staff will expect a current year raise equal to the increase in the career ladder revenues, yet the total state revenues will not increase. The Governor's Office recognizes this fact, and asks that we use our ESSER II funds to backfill this cut in discretionary. This would potentially reduce available ESSER II funding from \$6M to an estimated \$3.7M. **The concern here is that the ESSER II money is one time, and the cuts to discretionary may be on-going.** This news is reverberating throughout the state as it was an unanticipated supplanting of federal dollars into the formula for funding districts. Many districts had already started mapping out how they were going to spend these ESSER II funds.

Stimulus Money in the Past

Coming out of the Great Recession, the district received ARRA money totaling \$6.1M in FY10. The state cut revenues nearly \$8M that year, and it took nearly 10 years to restore those cuts. It is important to note this, because the state may commit now to restoring these new cuts to discretionary, but we know from past experience that it isn't a guarantee.

Further Budget Considerations

Preliminary support unit data shows that the District's first reporting period units will likely be lower than budget. Each unit earns the district roughly \$106,000. We budgeted 515.88 units. Even with the transition to enrollment based funding, District units are still calculating at 12 units lower than budget, for a total anticipated revenue shortfall of \$1.2M. It is likely we will need to fund this shortfall out of ESSER II funding. We will attempt to plead our case with legislators, however it's possible they will be less than sympathetic due to the three federal stimulus payments we've received this year.

Summary of Factors for Consideration

- The state has a history of cutting and later being unable to honor commitments to restore those cuts, and,
- We will likely miss the mark on budgeted support units, and it is unknown if they will increase to normal levels next year

Given these factors, it may be prudent to explore options to reserve a portion of ESSER II funding to stabilize the budget in subsequent years.

Memo from SDE on ESSER II Use of Funds

USE OF FUNDS BY LEAS UNDER THE ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND FOR ESSER I AND ESSER II

Local spending options for Elementary and Secondary School Emergency Relief Funds are broad and flexible consistent with the federal government's goal of preventing, preparing for, and responding to coronavirus. Expenditures for these funds must be necessary and reasonable. **ESSER I AND ESSER II FUNDS MUST BE TRACKED SEPARATELY.** Use Fund number 252 and add a different fund detail number for ESSER I and for ESSER II. For example, ESSER I: 252-01 and ESSER II: 252-02.

LEAs may spend their funds on a wide variety of activities as identified under the CARES Act (Sec. 18003(d)) and the Consolidated Appropriations Act, 2021 (Sec. 313 (d)).

- (1) Any activity authorized by the ESEA of 1965, including the Native Hawaiian Education Act and the Alaska Native Educational Equity, Support, and Assistance Act (20 U.S.C. 6301 et seq.), the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) ("IDEA"), the Adult Education and Family Literacy Act (20 U.S.C. 1400 et seq.), the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.) ("the Perkins Act"), or subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.).
- (2) Coordination of preparedness and response efforts of local educational agencies with State, local, Tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.
- (3) Providing principals and others school leaders with the resources necessary to address the needs of their individual schools.
- (4) Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how outreach and service delivery will meet the needs of each population.
- (5) Developing and implementing procedures and systems to improve the preparedness and response efforts of local educational agencies.
- (6) Training and professional development for staff of the local educational agency on sanitation and minimizing the spread of infectious diseases.
- (7) Purchasing supplies to sanitize and clean the facilities of a local educational agency, including buildings operated by such agency.
- (8) Planning for, coordinating, and implementing activities during long-term closures, including providing meals to eligible students, providing technology for online learning to all students, providing guidance for carrying out

requirements under the IDEA and ensuring other educational services can continue to be provided consistent with all Federal, State, and local requirements.

(9) Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the local educational agency that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and children with disabilities, which may include assistive technology or adaptive equipment.

(10) Providing mental health services and supports.

(11) Planning and implementing activities related to summer learning and supplemental after-school programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, children with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.

(12) Addressing learning loss among students, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care, of the local educational agency, including by—

(A) Administering and using high-quality assessments that are valid and reliable, to accurately assess students' academic progress and assist educators in meeting students' academic needs, including through differentiating instruction.

(B) Implementing evidence-based activities to meet the comprehensive needs of students.

(C) Providing information and assistance to parents and families on how they can effectively support students, including in a distance learning environment.

(D) Tracking student attendance and improving student engagement in distance education.

(13) School facility repairs and improvements to enable operation of schools to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs.

(14) Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the in-door air quality in school facilities, including mechanical and non-mechanical heating, ventilation, and air conditioning systems, filtering, purification and other air cleaning, fans, control systems, and window and door repair and replacement.

(15) Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency.

LEAs receive Elementary and Secondary School Emergency Relief Funds based on their relative share of Title I-A funds, but these funds are not Title I-A funds. These funds may benefit any school in an LEA regardless of a school's Title I-A status. Funds may be used on districtwide activities and/or to benefit any individual school



Governor's K-12 Budget Recommendations: FY 2021 and FY 2022

January 14, 2021

Key Points



- The decisions that were made in spring and summer were made with the information that we had at the time.
- The political and policy environments are different today.
- Our effort is about providing stability for schools and focus on delivering learning, where there is still a lot of uncertainty.
- There is a lot to unpack with these recommendations, and we will be reaching out to many groups and available for questions.
- The Legislature will make the final decision.

Timeline—10 Months of COVID and K-12



Early May— Memorandum on 5% Holdback

Spring— Congress Passes ESSER I Funds

May and June— Districts and Charters Set Budgets

Late July— Board of Examiners Action

September/October— Governor's Special Distribution- CFAC/CRF

Mid October— JFAC Fall Meeting

Late December— Congress Passes ESSER II Funds

FY 2021 Public Schools Budget



	<u><i>Sine Die</i></u>	<u><i>Gov's Rec</i></u>
General Fund	\$ 1,985,451,000	\$ 1,886,178,500
Dedicated	\$ 105,608,400	\$ 105,608,400
Federal	\$ 250,223,500	\$ 670,018,900
Other	\$ 359,109,200	\$ 359,109,200
Total	\$ 2,700,392,100	\$ 3,020,915,000*
% Change from FY 20	3.83%	16.15%*
\$ Change from FY 20	\$ 99,584,100	\$ 420,107,000*

* In addition to this amount CFAC also approved \$21M for testing, \$10M for PPE, and \$50M for family grants



	Original Plan	Revised Plan
Statutory Distributions	<ul style="list-style-type: none"> Suspend the 2% base salary increases for administrative and classified staff (\$5,128,900) Freeze movement of instructional and pupil service staff on the career ladder (\$26,617,500) Suspend leadership premiums (\$19,310,000) <p>Total: \$51,056,400</p>	<ul style="list-style-type: none"> The 2% base salary increases for administrative and classified staff, career ladder movement, and leadership premiums are distributed and implemented as normal <p>Total: \$0</p>
Non-statutory Distributions	<ul style="list-style-type: none"> Reduce discretionary funding (\$21,050,900) Reduce professional development (\$10,000,000) Reduce IT staffing (\$4,000,000) Reduce classroom technology (\$10,000,000) Reduce content and curriculum (\$1,600,000) Reduce Central Services budget (\$1,000,000) <p>Total: \$47,650,900</p>	<ul style="list-style-type: none"> Reduce discretionary funding (\$72,107,300) Reduce professional development (\$10,000,000) Reduce IT staffing (\$4,000,000) Reduce classroom technology (\$10,000,000) Reduce content and curriculum (\$1,600,000) Reduce Central Services budget (\$1,000,000) <p>Total: \$98,707,300</p>
	Grand Total: \$98,707,300	Grand Total: \$98,707,300

Key Points: FY 2021 Public Schools Budget



Governor's 2021 Session Recommendation:

- An additional \$51 million of general fund support will now be reduced from discretionary.
- Career ladder movement will not be frozen this year.
- All statutory requirements will remain in place, avoiding the Legislature needing to act on the career ladder, leadership premiums, and classified and administrator CEC.
- \$195 million from ESSER II will backfill this reduction in discretionary.
- This new amount is in addition to the support from the Governor's Special Distribution and ESSER I.

FY 2022 Public Schools Budget— Highlights



- **Back on track with the career ladder:**
 - The revised FY 22 fiscal impact for the career ladder \$44,906,900.
- **Stability Budget—** Accounts for modest growth in students.
 - An additional bounce back in enrollment will be reflected in additional support units later in next school year (PESF growth shock absorber).
- \$20 million for summer **early literacy remediation.**

Next Steps



- The Legislature passes the K-12 supplemental for FY 2021.
- We work through the ESSER distribution, particularly for non-Title I schools (not receiving ESSER) and for LEAs with small distributions.
- We pass our K-12 budget in FY 2022 and get back on track for the 2021-2022 school year.