Funding

Education leaders are clear that they will face additional expenses and funding cuts at the same time. Local needs should drive spending choices. Setting priorities will be more important than ever. SREB offers the following five potential actions to consider as schools and districts review funding sources and priorities.

1. **Complete an audit of incoming funds.**

Use this time to take stock of existing funding sources, the uses of each source and their related timelines. Consider creating an *At-a-Glance Funding Summary* with categories like those below:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>FY20 Amount Available</th>
<th>FY21 Amount Available</th>
<th>Allowable Expenditures</th>
<th>Summary of Current Budget</th>
<th>Deadline for Use</th>
</tr>
</thead>
</table>

- Use a color-coding system to enhance the summary:
  - *Green* could designate funding sources that are strong and fully utilized
  - *yellow* could designate a funding source that has two to three challenges, such as being in jeopardy of returning funds or requiring a needs approval for an extension
  - *red* could designate a source that is in serious jeopardy, such as a significant reduction of funds or an expired deadline

- Use the funding summary to share the status of available funds with leaders. Be sure to include a summary of anticipated losses for the upcoming fiscal year.

2. **Revisit guidelines for the CARES Act and similar temporary funding opportunities.**

- Determine and communicate allowable expenditures and timelines for the CARES Act and other similar state or local funding opportunities. Consider using these temporary funds to create and launch needed initiatives that can be sustained after funding expires.

- Assign a leadership team member to periodically check for new grant opportunities.

- Complete waivers and needed paperwork for carryover funds. Consider using carryover funds as an additional temporary funding source. Identify priorities for these funds that align with the funding source and can support coronavirus-related needs, such as professional development for teachers; additional resources for virtual, blended or distance learning; or the development of a library of pre-recorded lessons for students.
3. Complete an audit of expenditures and determine priorities.

- Use the audit of expenditures to analyze the effective use of available funds. Consider:
  - What is the projected expenditure summary for the year, by type and funding source?
  - How does the current summary compare to last year and the past three years?
  - What was the expenditure summary for the first months of the COVID-19 pandemic — March, April and May?
  - What expenditures are projected for June?
  - What are projected expenditures for the start of the school year or Quarter 1?
  - What is the return on investment? Evaluate the effectiveness of current programs.

- Highlight increases in expenditures — past or projected — that are directly related to COVID-19, such as purchases of technology, cleaning supplies, PPE, etc.

- Highlight any cost savings that are directly related to COVID-19, such as decreases in employee paid travel costs to attend events, decreases in physical plant costs during school closures, etc. Communicate how cost savings were repurposed.

- Determine priorities for the upcoming school year and demonstrate how they align both with the district’s mission and COVID-19 guidelines.

- Use the funding summary to share the status of expenditures with leaders. Be sure to include a summary of anticipated changes to expenditures, especially increases.

- Add a column to the At-a-Glance Funding Summary for Efficient Spending that allows leaders to determine if expended funds were fully aligned with allowable funding source uses and had the desired impacts or outcomes.

4. Cross-reference projected allocations, especially materials requests, with reopening strategies.

Districts and school leaders will need to “test” projected allocations based on specific calendars for reopening schools and determine if projected allocations can support each calendar option. Each calendar strategy will have an impact on spending — either presenting a cost savings or resulting in additional expenses. Calendar options like those below will primarily impact operational budgets, such as transportation, physical plant expenses, etc.

- **Traditional**: School begins at the regular time in the fall and continues throughout the year.
- **Adjusted**: School begins earlier or later than normal in the school year.
- **Postponed**: School is delayed substantially from its regular start time during the year, then continues into the following summer.
- **Partial**: Schools operate traditionally for part of the year and online during other times.
- **Intermittent**: Schools operate in more of a year-round schedule, taking breaks of up to a few weeks at multiple times throughout the year.
- **Expedited**: Schools begin traditionally with no holidays or breaks until Thanksgiving, to reduce the likelihood of students traveling and bringing the virus back to the school. The Fall semester ends by Thanksgiving or additional school days are online. Second semester begins in January and ends early, with no breaks.
Financial pros and cons should be shared for each of the district’s or school’s selected calendars. Once potential calendars have been reviewed, leaders will need to conduct a similar financial analysis on proposed daily school schedules:

- **Traditional**: Schools reopen using the same schedule as pre-COVID19.
- **Virtual**: All classes are provided online with an agreed-upon daily schedule.
- **Blended**: Students attend school for part or all of a day or week with some instruction provided face-to-face and some provided online.
- **Personalized**: Schools offer a combination of traditional and virtual instruction with parents, students and teachers each selecting the format they would prefer.

The analysis of school schedules should include impacts on staffing needs,

5. **Work with the leadership team and other district committees to understand and communicate funding priorities.**

Many schools and districts have a strategic planning process that engages leaders in discussions to align campus priorities, adult actions and spending. Revisit these procedures and update strategic plans to reflect the “new normal.” Have priorities changed since the outbreak of the COVID-19 pandemic? Have new priorities emerged, such as expanding technology or providing support for telehealth or teletherapy services?

Provide an opportunity for leadership team members to understand available funds and current expenditures. Consider sharing the audit summaries described in this document. Use these summaries to review the process for how funds were prioritized and allocated in the past and determine if procedural changes are needed in the future. Ensure that leadership team members can articulate new funding priorities and resulting procedural changes.

Use pre-established community organizations and committees to encourage feedback and share information. Determine whether the business and postsecondary partners could share in-kind services or other resources to support priorities. In rural areas, consider creating new regional committees or drawing on existing committees to solve issues.

**Resources from SREB’s K-12 Education Recovery Task Force Members**

Mississippi will offer districts guidance on where funding may be spent and how to prioritize local needs, including a needs assessment to determine technology needs for online instruction.

Alabama’s application for CARES Act funds will help districts be strategic and thoughtful about how to spend money.