



Mar 29
2021

2021-22 Budget Update

Including ESSER Stimulus
Planning

Built By Bethlehem Roadmap

ORGANIZATIONAL

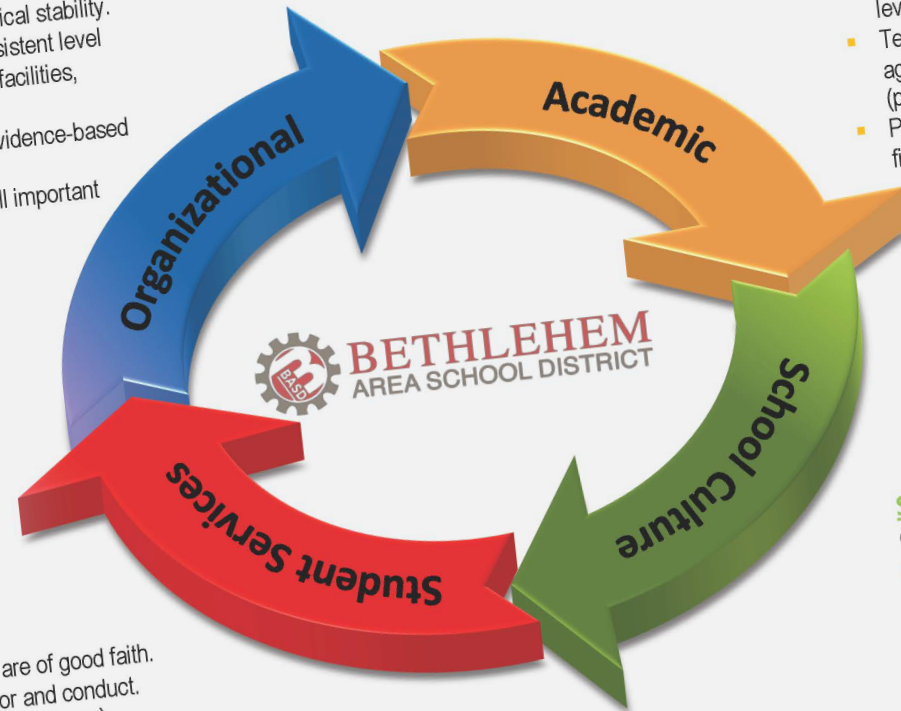
Our Schools:

- Are part of a district/system with defined vision, goals, and strategies.
- Have established leadership and political stability.
- Are adequately resourced with a consistent level of material support (budget, staffing, facilities, professional learning).
- Are informed by evidence; pursue evidence-based practices.
- Act upon equity (anti-racism) with all important decisions.

STUDENT SERVICES

Our Schools:

- Assume students and families are of good faith.
- Teach explicitly valued behavior and conduct.
- Teach explicitly valued instruction/mindfulness (trauma informed instruction/mindfulness).
- Treat transgressions primarily as learning opportunities (restorative practices).
- Coordinate internal and community-based resources to meet basic student and family needs.
- Provide a wide range of co-curricular and extra-curricular activities.



ACADEMIC

Our Schools:

- Align teaching talent with the greatest academic needs.
- Focus relentlessly on best practices of high quality core instruction.
- Teach explicitly and assess systematically grade-level competencies and skills (content area literacy).
- Teach explicitly executive functioning and student agency toward career and college-readiness (personalization/career pathways).
- Partner with leading community organizations as a first option.

SCHOOL COMMUNITY/CULTURE

Our Schools:

- Recognize relationships as the foundation of school culture.
- Establish a school-specific identity consistent with community expectations.
- Integrate academic and student support systems into the school identity.
- Cultivate regular and meaningful opportunities for student council and leadership in all areas.
- Prioritize a mentoring culture.
- Expect timely and civil communication in all areas.



Knowns:

- ✓ Structural issues continue
- ✓ Fixed costs continue to grow
- ✓ Public charter school costs continue to grow
- ✓ State funding flat & inadequate to meet mandates
- ✓ Focus on maintaining educational excellence for all BASD students

Unknowns:

- ✓ How long will the pandemic continue
- ✓ Vaccine effectiveness
- ✓ When/how many cyber charter students return to BASD
- ✓ When/how many Cyber Academy students return to BASD
- ✓ Local revenue response to recovery
 - ✓ EIT
 - ✓ Mercantile
 - ✓ RE Tax Appeals
- ✓ ESSER Funding



General Fund Budget

As of now:

- ✓ Mandated Increases of Pension & Charter School
- ✓ Flat Local & State Revenue
- ✓ Limited ESSER Funds to Offset Local Revenue Loss \$5,263,139
- ✓ No Millage Increase
- ✓ No Fund Balance Revenue

21-22 Budget

	<u>March 2021</u>		<u>Increase</u>	
<i>PSERS</i>	\$ 40,637,505	\$	1,772,168	4.37%
<i>Charter Schools</i>	\$ 33,938,600	\$	1,703,834	5.29%
<i>Everything Else</i>	\$ 235,771,677	\$	5,229,169	2.14%
<i>Preliminary Deficit</i>		\$	8,705,171	2.77%

Any addition of projected ESSER funds will change the overall General Fund Budget

Federal Stimulus Funds	Award	Exp. Date	Elig Use
PCCD Health & Safety	\$720,525	Oct 2020	Sanitation, Remote Instr
GEER Pre-School Funds	\$28,600	Nov 2020	Chromebooks PreK
ATSI Continuity of Education	\$389,988	Sept 2021	FHS/LHS Training, ESL
GEER Special Educ Mitigation	\$177,268	Sept 2021	After Schl/Summer Pgms
CEEG GEER	\$398,450	Sept 2021	Elem Chromebooks
CARES ESSER	\$3,218,394	Sept 2022	Local Revenue Loss
PCCD Safety & Security II	\$452,553	Sept 2022	BASD Cyber Academy
CRRSA ESSER II	\$16,156,572	Sept 2023	COVID/ESSA/Facilities
American Rescue Plan (ESSER III)	\$25,692,857	Sept 2023 Tydings extension to Sept 2024	COVID/ESSA/Facilities
	\$6,423,214		Learning Loss 20%
	\$32,116,071		Total Est. Allocation

Expended 20-21

Ongoing 20-23

Pending

COVID STIMULUS FUNDING

ESSER Uses:

- Coordinate response to COVID-19;
- Address individual school needs;
- Address the unique needs of low-income children, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including outreach and service delivery;
- Implement systems to improve LEA preparedness and response efforts;
- Professional development for sanitation and minimizing the spread of COVID
- Supplies to sanitize and clean facilities;



\$3,218,394 with NP Equitable Sharing

- Plan and coordinate operations during long-term closures including
 - how to provide meals,
 - technology for online learning,
 - guidance for carrying out IDEA requirements, and
 - providing educational services consistent with applicable requirements;
- Educational technology (including hardware, software and connectivity) for students;
- Staff and student mental health services;
- Summer learning and afterschool programs;
- Other activities necessary to maintain LEA operations and services and employ existing LEA staff, including any activity authorized by ESEA which include the Title programs, IDEA, Adult Education and Family Literacy Act, Perkins, and McKinney-Vento.

ESSER II Uses:

\$16,156,572 No NP Share

- All ESSER Uses in Addition to:
- Addressing learning loss among students, including by—
 - High-quality assessments to accurately assess students' academic progress and assist educators in meeting students' academic needs, including through differentiating instruction;
 - Evidence-based activities to meet the comprehensive needs of students;
 - Information and assistance to families on how to effectively support students, including in a distance learning environment; and
 - Track student attendance and improve student engagement in distance education.
- School facility repairs and improvements to enable operation of schools to reduce risk of virus transmission, and to support student health needs.
- Projects to improve the indoor air quality in schools, including HVAC systems, filtering, purification and other air cleaning, fans, control systems, window and door repair/replacement.



\$32,116,071 Estimated No NP Share

ESSER III:

- American Rescue Plan Act of 2021 (ARP)
- Signed into law March 11, 2021
- Allocations for K-12 via ESSER, Non-Public schools and IDEA ↴
- PA Share approx. \$5 Billion
- PDE set asides
 - Learning Loss
 - Summer Enrichment
 - After School Programs
 - MAY reserve 2.5% for state activities (\$125M)
 - MAY reserve 0.5% for state administration (\$25M)
 - If PDE takes all set asides (10%) approx. \$4.5B available for SD & CS reducing the estimated allocations published to date

Additional ESSER funding expected for IDEA (Special Educ) and grant opportunities for Summer and After School programs

ESSER III:

Est. ESSER III Allocation \$32,116,071

Learning Loss 20% \$ 6,423,214

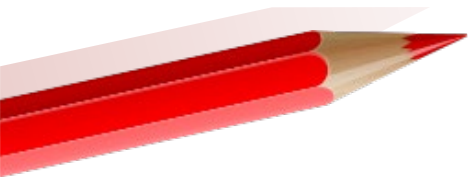
Balance Capital Needs \$25,692,857

- PDE must apply to USDE for ESSER III
- Actual allocations estimated pending final determination of any set asides and final 19-20 Title I eligibility
- Minimum 20% used for learning loss
- All previous ESSER eligible uses
 - Any activity authorized by ESEA, IDEA, AEFLA, Perkins Acts

PDE Caution



LEAs are advised that CARES Act funding is one-time, emergency aid. As such, LEAs should consider how CARES Act funding might interact with other federal funding and the role of enhanced funding flexibilities to ensure strategic and sustainable use.



Senate Caution

“Be extremely cautious”

“should not use one-time funding to increase ongoing, baseline spending”

“[should be] appropriately expended for one-time purposes”

“supporting ongoing programs led to difficult and painful decisions once federal [ARRA] funding ended”



February 16, 2021

How is ESSER different from ARRA?

To: All Pennsylvania School Superintendents

From: Senate President Pro Tempore Jake Corman

Senate Majority Leader Kim Ward

Senate Appropriations Committee Chairman Patrick M. Browne

Senate Education Committee Chairman Scott Martin

Re: Federal Stimulus Funding

Dear Superintendent:

The federal government has made multiple rounds of stimulus funding available, and the Biden Administration has developed another round for consideration by Congress. To date, the initial rounds of stimulus funding generated more than \$2.7 billion for schools across the Commonwealth. However, we must underscore that while this funding has been critical to filling budget gaps caused by the pandemic, it is temporary in nature and will not be included in future recurring federal appropriations.

Superintendent
February 16, 2021
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As we cautioned with federal ARRA funding during the 2009 through 2011 budget cycles, the temporary nature of federal stimulus appropriations requires state government, local communities and school districts to be extremely cautious in how they budget and spend those dollars. Accordingly, school districts should not use one-time federal funding to increase their ongoing, baseline spending with the expectation that the state's fiscal condition will be in a position to replace the funding in future years. Rather, federal stimulus funding should appropriately be expended for one-time purposes that can be aligned with the one-time federal dollars.

Despite our caution during the economic downturn of the last decade, there were, unfortunately, some school districts who used one-time federal funding to support ongoing programs. Those choices led to difficult and painful decisions once federal stimulus funding ended.



One-time ESSER Stimulus thru Sept 2023

\$51,470,588

ESSER I \$ 3,165,487

ESSER II \$ 16,189,030

ESSER III \$ 32,116,071

Options & Recommendations





Option A

Balance 2021-22 Budget

- Quick and Expeditious
- Leaves Act 1 Index Behind
 - failure to sustain the base is forever lost
- Adds to future deficit budgets
 - see Five Year Outlook
- Compounds structural deficits for many years
- ***NEVER FORGET HISTORY LEST WE ARE DESTINED TO REPEAT IT***

Option B

Address Learning Loss & Student Supports

- Use one time stimulus funds to provide immediate supports to
 - Remediate acute learning loss due to remote learning
 - Provide mental health supports for COVID losses
 - Address social emotional learning
 - Summer Ramp Up
 - After School & Tutoring programs
 - Temporary increases in BASD Cyber Academy
 - Technology for remote learning
 - Financial support of pandemic meal distribution





Option C

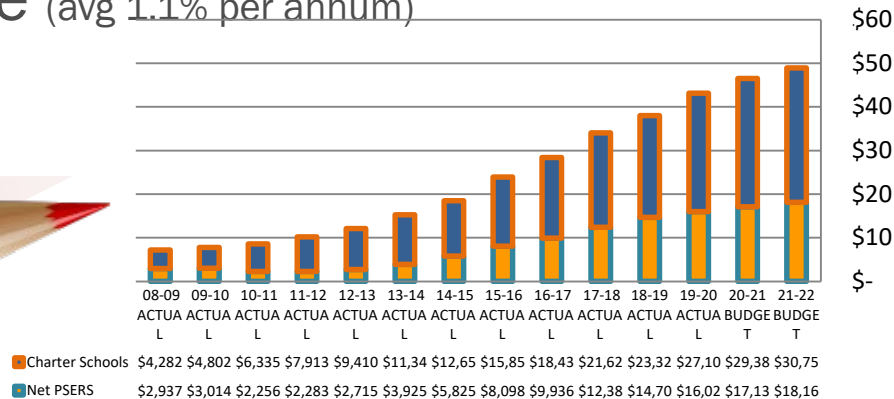
HVAC Improvements

- Address various HVAC projects previously identified in Capital Plan that were on hold for available funding
- Improve indoor air quality for COVID and decades to come
- Improve overall quality of instruction by quieter and healthier academic spaces
- Avoids future borrowing & interest costs to finance projects
- One time funding resolves long term needs

Budget Paradox

Ongoing Operational Costs

- Mandated pension, charter school tuition & special education costs continue to grow faster than tax base (avg 1.1% per annum)



- Salary & Benefits 63% of budget
- Debt 8% of budget

One-Time Stimulus Funds Sept 2023

- All costs must be phased out by Sept 2023 to align to funding expiration
- Any ongoing costs funded by stimulus will be an unfunded liability in 2023-24 budget
 - Together with inflationary growth of mandated costs will compound to a deficit beyond the Act 1 taxing capacity

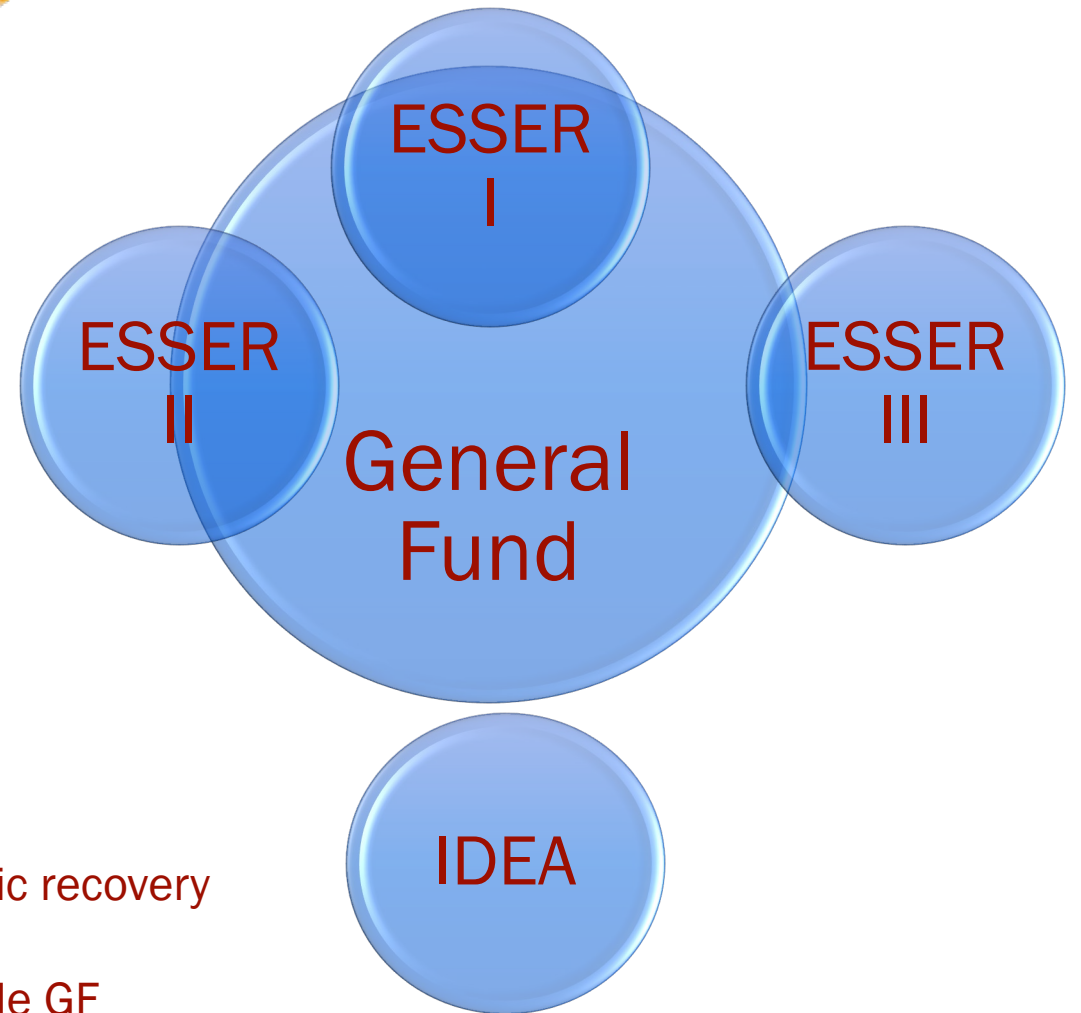
Structural Deficit

Compounded Structural Deficit	Structural Deficit	Tax Increase	Actual Surplus/ (Deficit)	Supplant Stimulus
13-14 Actual	(3,619,461)	YES	(1,845,891)	
14-15 Actual	(7,136,974)	YES	3,170,098	
15-16 Actual	(4,409,543)	YES	3,706,326	
16-17 Actual	(4,919,142)	YES	117,792	
17-18 Actual	(3,293,729)	YES	2,197,552	
18-19 Actual	(3,657,820)	YES	5,769,731	
19-20 Actual	(2,535,174)	NO	(1,006,071)	
20-21 Est	(2,053,155)	NO	(4,931,746)	(3,074,955)
21-22 Budget	(7,937,485)			(5,746,626)
22-23 Proj	(13,684,111)			(1,400,756)
23-24 Proj	(15,084,867)			
24-25 Proj	(18,562,961)			

Avoid the Cliff

Minimizing areas of overlap with one time stimulus funding will mitigate the funding cliff (unfunded recurring costs) when grants expire in 2023-24

- ESSER I: 20-21 Supplanted GF Revenue Loss pending economic recovery
- ESSER II: Academic Supports phased out over two years
- ESSER III: Learning Loss phased out over two years/HVAC outside GF
- IDEA: Supplement NOT supplant rule in effect



\$5,000 Lottery Ticket

New Car: By affording the down payment on your dream car, you are unable to buy gas because your monthly costs have increased but your paycheck has remained the same.



Tropical Vacation: After returning from paradise, your monthly budget is still adequate because you didn't add any new and recurring expenses



Stimulus Recommendations

Pending final allocations and planning estimates

ESSER II

	<u>2021-22</u>	<u>2022-23</u>
Contact Tracing	\$ 35,965	\$ 15,000
Sanitizer	\$ 40,000	\$ 40,000
Custodial Supplies	\$ 50,000	\$ 50,000
20-21 Cafeteria Losses	\$ 1,200,000	
Cafeteria Losses	\$ 700,000	\$ 295,543
Hot Spots	\$ 173,331	\$ 173,331
Chromebooks	\$ 1,660,000	\$ -
Staff Chromebooks	\$ 738,100	\$ -
Zoom	\$ 48,176	\$ 48,176
PD Remote Inst RBG3	\$ 2,107,566	\$ 698,981
IU20 Cyber Academy	\$ 500,000	\$ 100,000
FA HVAC	\$ 4,903,208	
Balance of FR HVAC		\$ 2,579,195

Total	\$ 12,156,346	\$ 4,000,226	\$ 16,156,572
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Stimulus Recommendations

Pending final allocations and planning estimates

ESSER III

	<u>2021-22</u>	<u>2022-23</u>	
FR HVAC \$	5,163,000		HVAC Improvements \$25692856.8
MH HVAC \$	5,537,220	Summer 2022	
GW HVAC \$	5,216,460		
JB HVAC \$	4,188,707		
CA HVAC \$	4,300,280	Summer 2023	
HA HVAC \$	3,866,385		
Balance to ESSER II \$	(2,579,195)		
Elem LTS Online Tchrs (16) \$	1,288,842	\$ 162,690	Learning Loss \$6423214.2
InstrCoaches MS/HS \$	644,421	\$ 325,379	
Summer Ramp Up \$	181,024	\$ 187,103	
Lang Guides \$	45,000	\$ 22,131	
ESL Aides \$	48,488	\$ 49,552	
Community Schl Expansion \$	100,000	\$ 100,000	
Social Services \$	150,000	\$ 150,000	
PD Remote Inst RBG3		\$ 408,585	
NMS Redundant Network \$	400,000		
Gr 3&9 Chromebooks \$	800,000		
Buses (16) \$	1,360,000		
Total	\$ 30,710,631	\$ 1,405,440	\$ 32,116,071

Upcoming Cliff



	Ongoing Operational Costs	Short Term Learning Loss & Supports	HVAC/Capital
19-20		\$ 482,993	
20-21	\$ 3,074,955	\$ 1,231,973	\$ -
21-22	\$ 5,746,626	\$ 4,764,286	\$ 22,579,888
22-23	\$ 1,400,756	\$ 1,425,715	\$ 12,355,372
	\$ 10,222,337	\$ 7,904,967	\$ 34,935,260
	Chromebooks, Hot Spots, Zoom, RBG3, Language Guides	Cyber Academy, PPE, Sanitation, Coaches, Tutors, Summer Pgms, Supports, Meals	Buses, Network, HVAC

**DANGER
STEEP DROP
AHEAD**

Blended Yet Separate

Stimulus Operational & Learning Loss Expenses will be reflected in the General Fund Budget although they are one time funds.

Pending final allocations and planning estimates



2021-22	General Fund	ESSER II	ESSER III	Total Budget
Expenses	\$ 310,347,782	\$ 7,753,138	\$ 5,017,774	\$ 323,118,694
Revenue	\$ 301,642,610	\$ 7,753,138	\$ 5,017,774	\$ 314,413,522
Total	\$ (8,705,171)	\$ -0-	\$ -0-	\$ (8,705,171)
Capital HVAC		\$ 7,482,403	\$ 25,692,857	

General Fund Budget Reduction Estimates:

- ✓ Mandated Increases of Pension & Charter School
- ✓ Flat Local & State Revenue
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	<u>21-22 Budget</u>		
	<u>March 2021</u>	<u>Increase</u>	
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<i>Everything Else</i>	\$ 235,771,677	\$ 5,229,169	2.14%
<i>Preliminary Deficit</i>		<u>\$ 8,705,171</u>	2.77%
<i>Retirements</i>	\$ (313,947)		
<i>Bond Refunding</i>	\$ (453,739)	\$ (767,686)	
<i>Estimated Deficit</i>		<u>\$ 7,937,485</u>	

Any addition of projected ESSER funds will change the overall General Fund Budget



Questions!

Next Steps