Making the Most of Your ESSER Funds
6 Key Changes to the 2022-2023 Budget Development Process
December 2021 AASA Webinar
Welcome!

Please introduce yourself!

• In the Zoom chat, please share your name, district, and role

• Please add your district to your Zoom name
Agenda

- Introductions
- Essential Question and Guiding Principles for ESSER Plans
- Key Changes for the 2022-2023 Budget Development Process
- Q&A
- Wrap Up
Presenters

Jonathan Travers, Managing Partner, ERS
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Essential Question: How can districts use ESSER funds to meet immediate needs and redesign toward a more student-centered, equity-focused, and future-driven approach?

- **Plant Seeds**: How can you make choices that begin or accelerate the long-term shifts you want for your district?

- **Center Equity**: How can you address systems that create or perpetuate inequities?

- **Use and Build Knowledge**: How will you collect data, measure progress, and engage in a process of continuous improvement?

- **Sustain Strategically**: If you’re planting new seeds, how will you change underlying cost structures so you can sustain what grows?

Sourced from EducationCounsel
Poll: Where are you in the 2022-2023 budget process?

Please respond to the pop-up poll to let us know where you are in the 2022-2023 budget process:
- We're still trying to figure out the plan
- We have a plan, but haven't launched yet
- Our plan has launched
- Our plan is underway, and we're starting to make decisions
What must be different about the 2022-2023 budget process to examine and (re)allocate resources intentionally, equitably and sustainably?
6 Key Changes for the FY23 Budget Development Process*

1. Reflect on ESSER spend YTD to reforecast expected FY23 ESSER “revenue” and to inform decision-making about further investments.

2. Get clear about your district’s one or two “big bet” investments — and prioritize these investments in your budget process.

3. Streamline the budget development process. Small line items and “nonstrategic” discussions should be resolved by individual chiefs and principals directly.

4. Use the budget development process to bring together revenue from all funding sources, including ESSER and general fund.

5. Use sustainability to inform – not stifle – decision-making that supports schools and students in FY23, while also investing in outyear design.

6. Reach outward to collaborate with other district leaders, your school board, principals, and families to build joint accountability around resource decisions.

https://www.erstrategies.org/tap/aligning_district_budget_with_goals_changes_2023

*derived from the Strategic CFO Guide
#1: Reflect on ESSER spend YTD to reforecast expected FY23 ESSER “revenue” and to inform decision-making about further investments.

Key Questions/Ideas:

• How does your district’s actual ESSER spending compare to your planned ESSER spending?

• Many districts are underspending relative to their initial ESSER plan for a variety of reasons. If your district is on track to underspend, you should reforecast and reallocate ESSER funds across future years.

• How are you adjusting your ESSER plan based on what you’ve learned so far? Are there initiatives you want to scale up or scale down based on this information? How will this impact your budget for these initiatives?

• How will you monitor the progress of new initiatives that don’t yet have enough data available for a full feedback cycle and adjust your budget plan as new information becomes available?

“As I’m thinking about this, it’s a little tricky. The actual ESSER dollars are going out the door, but I’m building up reserves and not spending as much as I anticipated now, which I think leads to either a longer runway or a bigger ramp up and then ramp down.” – District CFO
#2: Get clear about your district’s one or two “big bet” investments – and prioritize these investments in your budget process.

**Key Questions/Ideas:**

- How is your leadership team prioritizing redesign investments?
  - ERS’ 7 Principles for Investing ESSER Funds in Recovery & Redesign: Guiding principles to keep in mind while identifying priorities (and here is an example of how Hartford Public Schools is using these principles in practice).
  - ERS’ Schools Start Here series: Concrete “do now, build toward” examples of how investments now can fit into longer term redesign strategies that improve student experience.

- What are the 1-2 “big bets” your district is focusing leadership energy on?

“There’s this layer that we’re working on right now that’s a layer above — and just being clear on what our big bets are. You can have 30-50 people spinning their wheels but not until we have this big commitment on ‘What are some of our two big redesign investments that we are going to be focusing on?’ — and that can help point the budgeting direction toward this general North Star direction.” – District CFO
#3: **Streamline** the budget development process. Small line items and “non-strategic” discussions should be resolved by individual chiefs and principals directly.

**Key Questions/Ideas:**

- Can you raise the bar on what really requires discussion by the Board of Ed/district leadership team versus what just needs leadership approval versus what can be decided by individual chiefs, department heads or principals?

- How can you change your district’s budget process to move decision-making authority for small and ”non-strategic” budget items to chiefs or principals?

- This may be a significant change for district leadership from past years. Superintendents needs to collaborate with CFOs and Board of Education to make these budget process changes possible.

“It was ‘How can we create efficiency within our budgeting processes?’ — but also creating accountability for some of our chiefs and budget owners, and at the same time be mindful of leadership’s time and capacity, and focus on big bets.” – District CFO
#4: Use the budget development process to bring together revenue from all funding sources, including ESSER and general fund.

**Key Questions/Ideas:**

- When building the FY ‘23 budget, are you taking an “all funds” approach to planning your investments?

- If your district has had two parallel processes for ESSER and general funds/other grant decisions over the past year, how can you merge decision making into one, unified budget process?
  - This enables an integrated approach to new investments and allows for creation of a coherent plan that is united around the “big bet” redesign investments.

- “Extending” the life of ESSER funds beyond FY ‘24 requires moving expenditures “on and off” of ESSER. Your CFO can help you develop the best strategy for spending down ESSER funds in the way that is most beneficial to your district’s long-term fiscal health.

“It’s not about just ESSER or budget, it’s about “We have to be responsive to where we are as a district with student enrollment.”” – District CFO
#5: Use sustainability to inform – not stifle – decision-making that supports schools and students in FY23, while also investing in outyear redesign.

Key Questions/Ideas:

- How will you monitor the impact of investments to help inform what to stop and what to continue?
- Many investments and innovations will require recurring support beyond ESSER. How are you being transparent about the tradeoffs your district will need to make to achieve sustainability?
- Which investments will continue to pay dividends and should be set up to continue over time?
- Be sure to use a multi-year outlook to understand the long-term consequences of FY ‘23 decisions. This will help you get to a budget position that is sustainable in the long-term.

“What we’re finding with this infusion of ESSER dollars [is that] the needs are different across different campuses. So if enrollment is still declining but the [staffing] needs are still great, how do we strategically onboard new staff members while strategically repurposing or abandoning some of the practices as it relates to sustaining some of that staff? Any new positions that are coming on board that we’re starting this year, there’s a few sentences in the job description and in the contract that specifically states that this is a temporary position funded for a two-year time period.” – District CFO
#6: Reach outward to collaborate with other district leaders, your school board, principals, and families to build joint accountability around resource decisions.

Key Questions/Ideas:

- *All* district leaders (not just the CFO!) need to jointly own the outyear cost—and potential promise—as part of their input on and approve of *this* year’s budget decisions.

- How are you engaging in a collaborative decision-making process with district and community stakeholders to build joint accountability around investments and resource decisions?

"ESSER had its own unique way of requiring us to engage with stakeholders in the budget development process, and we are going to take some of the lessons learned from how we were able to gauge and get really good feedback from parents during that process and implement some of that in the way we engage with parents now."

– District CFO
Poll: Reflecting on the 6 Key Changes…

• Which one do you feel is most important for you to “get right” this year?
• Which one do you feel like you are farthest along?

1. **Reflect** on ESSER spend YTD to **reforecast expected FY23 ESSER “revenue”** and to **inform decision-making** about further investments.

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3. **Streamline** the budget development process. Small line items and “nonstrategic” discussions should be resolved by individual chiefs and principals directly.

4. Use the budget development process to bring together **revenue from all funding sources, including ESSER** and general fund.

5. Use **sustainability to inform – not stifle** – decision-making that supports schools and students in FY23, while also investing in outyear design.

6. Reach outward to **collaborate** with other district leaders, your school board, principals, and families to **build joint accountability** around resource decisions.
Q&A
Thank you!

Please:

• Fill out our feedback survey: https://forms.office.com/r/9zFASGpTR6
• Questions: jtravers@erstrategies.org & kroy@erstrategies.org

Resources:

• 6 Key Budget Changes: https://www.erstrategies.org/tap/aligning_district_budget_with_goals_changes_2023
• ESSER sustainability explainer video: https://www.erstrategies.org/tap/district_spending_ESSER_funding_sustainability_investment_types