

What Happens When you Have Spent All your ESSER Funds?

Panelists:

Sarah Duncan, Director of Business Services, Clinton Community School District
Kent Ellickson, Director of Finance and Business Services, School District of Onalaska
John Stellmacher, Chief Financial Officer, Kettle Moraine School District
Andy Weiland, Business Manager, Oregon School District

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Introduction

Introduction

Different messaging regarding the intended use of Funds:

Interventions to address learning loss.

Cover COVID expenses incurred by schools during pandemic.

Supplant state and local education budgets.

Introduction

Allocation of federal funds on a per-pupil basis varied:

ESSER - Largely impacted by ESSA/Title methodology which uses US Census Data on economically disadvantaged families and school district boundaries.

GEER - DPI used above with LEA information pertaining to below basic ELA as well as percentage of households with no devices and no internet.

Introduction

Variances in per-pupil allocations of one-time federal money varied between districts by two or three times, or more in many cases.

Public understands there is a large bucket of federal money, but may not understand the allocation varied significantly on a per-pupil basis.

Introduction

2023-24 Fiscal Cliff

No Revenue Limit or Per Pupil Increases 21-22 and 22-23.

Unknown increases going forward? Will 23-24 Revenue Limit and Per Pupil Increases cover three year's worth of increases?

Historically High CPI. CPI-U for 22-23 of 4.7%. 23-24?

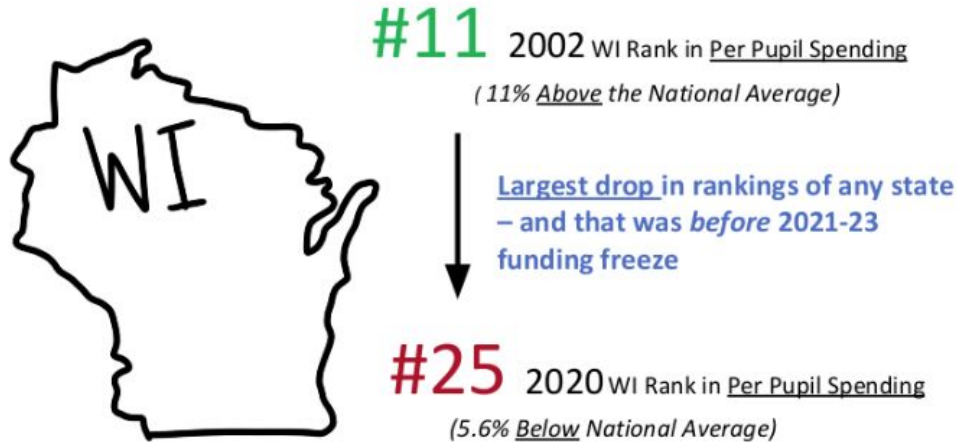
Introduction

Historically High CPI.

CPI-U for 22-23 of 4.7%. 23-24?

Introduction

State of Wisconsin Education spending fell from 11th to 25th prior to the 21-22 and 22-23 freeze years.



Introduction

Each district was impacted by the pandemic differently.

Each district navigated the pandemic differently.

Each district will be in different shape for 2023-24 fiscal cliff.

Each district has its own story to tell. Each panelist is from a district with relatively low one-time federal funds.



Clinton Community School District

Sarah Duncan



Clinton Community School District

- Small, rural community based largely in agriculture
- Budget is approximately \$16 million dollars annually
- Around 1,100 students
- Resident enrollment decreasing for the last 15 years

Clinton Community School District

- Three successful referendums in the last 10 years
- A recurring operational referendum passed in 2020 largely allowing for the focus on one time costs for ESSER funds

Clinton Community School District

- ESSER provided a great opportunity to update larger items like curriculum, make safety improvements, and upgrade technology infrastructure
- ESSER is also being used to increase interventionist time, add a nurse, and social worker - which will be ongoing costs or eventual reductions

Clinton Community School District

Challenges Ahead

- Navigating the ongoing costs included in ESSER spending
- CCSD has a compensation model that has been working well for several years
- The current recruiting and hiring environment will challenge that model

Clinton Community School District

2023-24 and Beyond

- Re-evaluate the District's compensation model
- Increasing wages and long term financial planning
- Continue working on addressing declining enrollment
- Continue to communicate with the Board, community, and staff that these federal funds do not reflect what the District's operating budget will look like going forward



Oregon School District

Andy Weiland



Oregon School District

Suburban district adjacent to Madison.

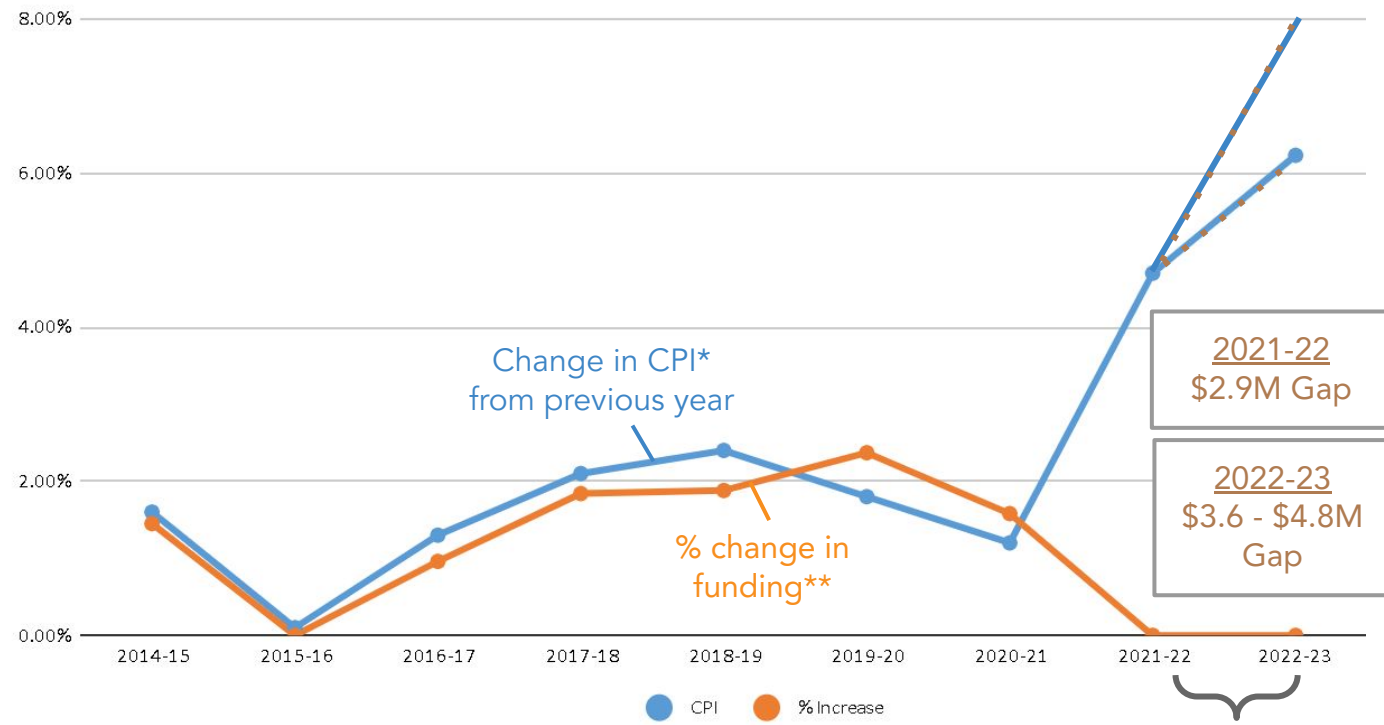
Approximately 4,100 students.

Historically 3/1 favorable open enrollment ratio.

Projected growing enrollment in 2021 study.

- 44 FTE in 2022-23

The gap between inflation and state funding is unprecedented



2021-22
\$2.9M Gap

2022-23
\$3.6 - \$4.8M
Gap

\$0 additional
funds for
TWO YEARS

* CPI = Consumer Price Index
** % change in per-student funding allowed by the state

Oregon School District

Growth, positive open enrollment & referendum financial coping strategies

2012 One capital & one operating referendums failed (Act 10 impact)

2014 One capital & one operating referendums passed (20M+ 2012 ask)

2016 One recurring operational referendum for 1.5M for teacher compensation

2018 One capital & one operation referendum passed for new school & land

2022 One recurring operation referendum proposed up to 11.4M

Oregon School District

Uses of one-time funds

Pandemic operational

Technology (one to one chromebooks), Mifi's, tents, air filters, bus supervisors, contract tracers, building subs, on-line subscriptions

Pandemic Recovery

Interventionists, Curriculum, Engagement Specialists, Psychologist

No supplanting of previous costs

Oregon School District

Plan for 2022-23 and Beyond

1. No salary increases 21/22 or 22/23 & into future unless 11/8/22 recurring referendum passes (5.4M, 3M, 3M)
2. Approx 1M recurring deficit starting 7/1/23 w/o referendum
3. If referendum fails - consideration of possible April 4th 2023 referendum
4. Communication Plan: A great educator in every classroom



School District of Onalaska

Kent Ellickson



School District of Onalaska

Suburban district adjacent to La Crosse.

Approximately 3,000 students.

Historically 2.5/1 favorable open enrollment ratio.

Projected stable to slightly declining enrollment in 2018 study.



-140 in 2020-21



School District of Onalaska

Continuous string of non-recurring operational referenda in place from 2006-07 through 2023-24.

Capital project referendum scheduled for November 8 for \$75 million to renovate middle school and address highest priority high school issues.



School District of Onalaska

Uses of one-time funds (ESSER, ECF, Coronavirus/Governor):

“Accelerated Learning Plan:” Technology, Tutors, Program Coordinator, Equity Coordinator, Mental Health Services, Behavior Specialist Coach, Alternative Education Teaching Positions

School District of Onalaska

Uses of one-time funds (ESSER, ECF, Coronavirus/Governor):

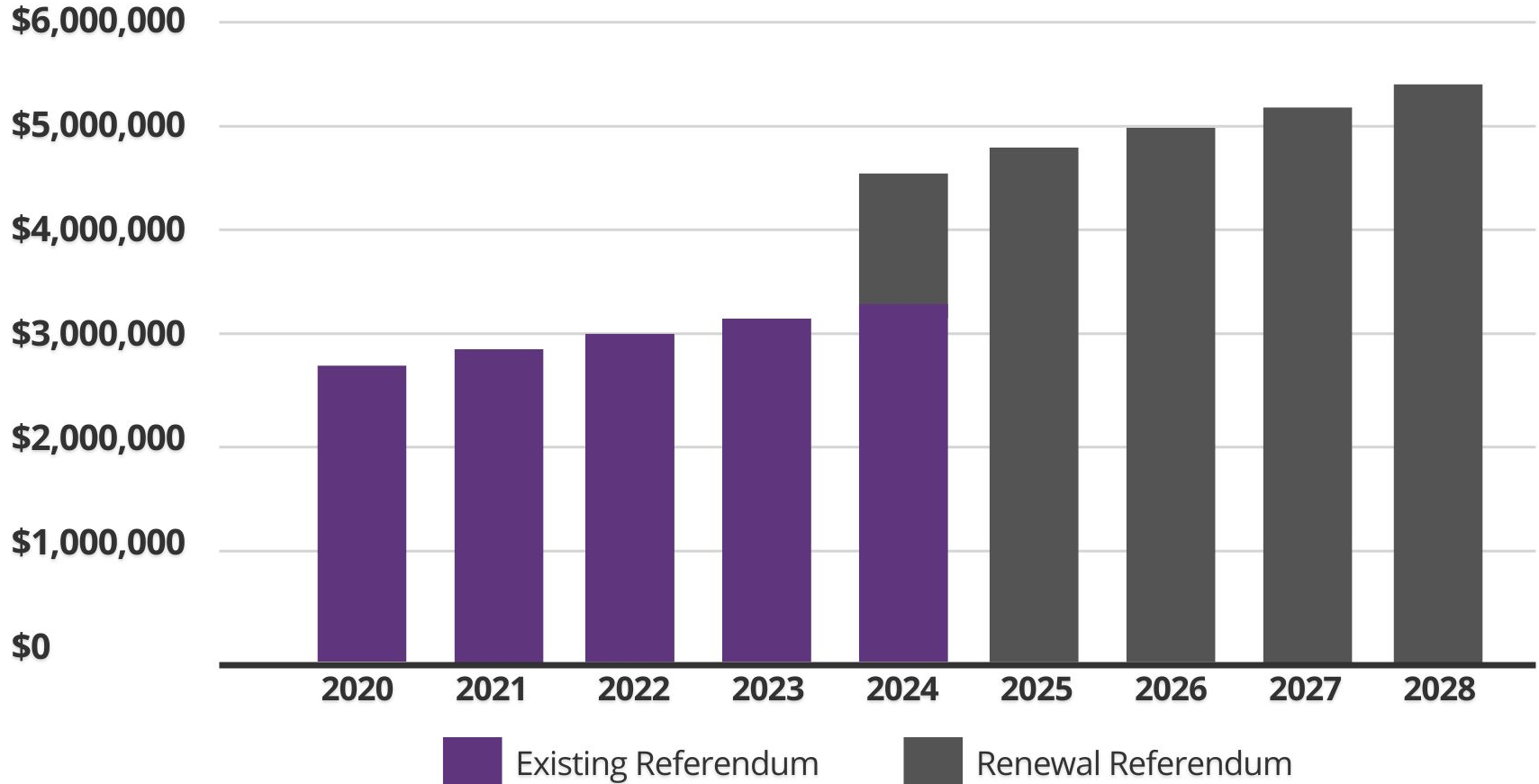
“Supplant Operations” Utilities >\$1 M 2022-2023

School District of Onalaska

Plan for 2023-24 and Beyond

1. Continue to monitor budget model and possible scenarios.
2. Continue to monitor class sizes.
3. Evaluate and prioritize “Accelerated Learning Plan” components.
4. Communication Plan: Our Story/Operations/Facilities
5. Prepare for November 8, 2022, operational referendum and outcome.

Operational Referendum





Kettle Moraine School District

John Stellmacher



Kettle Moraine School District

- **Rural/Suburban District in Southeast Wisconsin between Madison/Milwaukee
- **Approximately 3,500 students with declining enrollment for past 15 years
- **Operational Budget of Approximately \$50 million annually
- **Successful operating referendum in April, 2020

Federal Stimulus Funds

**Minimal Level of Funding from Title 1 Based Formula in CARES/ESSER & total funding (including supplemental) about $\frac{1}{3}$ of the State Average.

**Significant use of funds in FY 2020-21 to provide dual enrollment option between 5 day (face-to-face) and fully virtual for all students K4-12th)

**Significant expansion of Student Services/SWD positions in 2020-21, 2021-22, 2022-23, and 2023-24

Primary Use of Stimulus Funds

- **Addressing one-time accessibility challenges (wheelchair lifts, accessing the curriculum, playground accessibility)
- **Supplanting budget in 2021-22, 2022-23, and 2023-24, current EBIS programs anticipated to be funded by 2020 operating referendum, but unfunded after sustaining two year state budget freeze in 2021-23 (\$1.4 million structural reduction in funding ongoing)

Kettle Moraine ESSER Policy Objectives

- ** Sustain 2020-21 Staffing Levels
- ** Continue building capacity via counselors, psychologists, and social workers to address growing student mental health needs
- ** Continue building SWD/EC/EL capacity to serve most vulnerable students
- ** Mitigate long-term fiscal cliff by focusing on one-time expenses that reduce annual operating costs.

Factors Contributing to a 6/30/2023 or 6/30/2024 “Fiscal Cliff”

- ** Frozen 2021-23 State Budget
- ** 4.70% CPI in FY 2022-23 & Potential for a 8.00% CPI in FY 2023-24
- ** Per Pupil Funding in 2023-24 State Budget that does not keep pace with inflation

Kettle Moraine Strategy for Navigating the Fiscal Cliff

** Voluntary Settlement with Collective Bargaining Units for 2.85% increase in FY 2022-23. Settlement includes compensation caps (on base building wages) and stipends for individuals who are over their benchmark comparables

** KMSD benchmarks compared to Waukesha County School Districts for all employee groups. School board has targeted being at the midpoint/slightly above for all employee groups.

Kettle Moraine Strategy for Navigating the Fiscal Cliff Continued

** Majority of CARES/ESSER spending is one-time, non-recurring. These funds are intentionally used to cover one-time costs or supplant long term priorities to sustain those priorities through 2022-23 and not create new unfunded positions or compensation for 2023-24 and beyond.

** New student services positions (counselors, psychs, social worker) anticipated to create new \$275k structural deficit after FY 2023-24.

Kettle Moraine Next Steps

** Updated “cost to continue” projects to be provided to KMSD School Board in Fall, 2022 that illustrate the per-pupil increases in FY 2023-24 (2023-25 State Budget) necessary to keep pace with inflation with several options for FY 2023-24 staff compensation.

** Build capacity for understanding with School Board, parents, business leaders, and the community about the impact of continued (per-pupil) funding that does not align with inflationary pressures on core school services.



Closing Thoughts