

Next Year Planning 2020-2021: Funding Contingency Plans

COVID-19 has thrown so many wrenches into the funding plans for next school year. Further complicating plans are the state changes, federal initiatives, and local factors, all of which may not be fully known yet. Moreover, Special Education could be greatly impacted by necessary funding moves. Planning always includes the anticipation of the unknown and contingency planning is the best way to approach the multivariable reality of funding for the 2020-2021 school year.

In this guide, you will find:

- **Strategies to Approach Decisions Makers** to help ensure your voice is heard
- **Supplemental Guides and Worksheets** to add to the strategic approach
- **Articles** for thought leadership, opinion, and historical comparison to previous recessions
- **A Thorough Summary of Edunomics' Analysis** to provide an overview of effects and considerations in funding plans

Audience:

- Special Education Leaders for strategies to approach the funding conversation
- Funding Decision Makers for an overview of factors and considerations

Strategies to Approach Funding Network Leaders Regarding Special Education

If decisions from Network Leaders within the district have not already begun, these leaders will soon be tackling the funding plan for next school year, the implications for future school years, and factors that may not yet be fully known. As they gather information, recommendations may be requested or Directors of Special Education could be asked to take lead on decision making as it pertains to Special Education. The following resources provide possible scenario guidance and other resources for making decisions for funding that can be applied within multiple school contexts to best help navigate the funding implications for future school years.

The following resources from [Fiscal Strength for Nonprofits](#) (FMA) facilitate scenario planning. They are self-contained with additional guides and worksheets below, as needed:

- [Workforce Impact – Scenario Discussion Guide](#): This is a guide of questions to consider in scenario planning as it relates to your workforce.

- [Scenario Planning Documentation Template](#): This tool is designed to help leadership teams develop and describe up to three scenarios and associated assumptions for your organization's path forward before modeling the financial implications.
- [Scenario Planning Tool](#): This is an Excel-based Scenario Planning Tool intended to be used for projecting an organization's cash flow across the fiscal year under up to four different potential scenarios, identifying in advance any potential cash shortfalls. Note: please enable Macros to use and follow the instructions on the first tab.

Additional Guides and Worksheets

These additional guides and worksheets can provide more guidance for approaching funding decision makers:

- [A Roadmap](#) from Catalyst:Ed includes, among other areas, a Finance and Development section covering Managing Your Current Fiscal Year Budget, Enrollment and Growth Shifts, State Funding, Grant Management and Fundraising, 2021 Budget Process, Workforce Changes and Talent Needs, Debt Management, Audits and End of Year Close-Out Strategies over three phases **1) Launching Remote Learning, 2) Finishing the School Year Strong, and 3) Implications for Summer & Beyond.**
- [Managing Nonprofit Finances During the Coronavirus Crisis](#) from The Wallace Foundation - Key considerations and includes another [scenario planning tool](#) and [cash projections worksheets](#) for download.
- [Workforce Impact – Tips and Resources](#) from [Fiscal Strength for Nonprofits](#) (FMA) - This is a compiled list of HR tips, resources and best practices to help your organization navigate the current crisis.
- A [Paycheck Protection Program Toolbox](#) from Fiscal Strength for Nonprofits (FMA) that includes guidance on Independent Contractors, Managing your PPP Loan and Forgiveness, a FAQ for PPP, a PPP Calculator, and other PPP resources.

Articles

These articles provide thought leadership in the form of opinion pieces for the current crisis and historical analysis of previous recessions and dramatic impact to school funding plans.

- [How the coronavirus shutdown will affect school district revenues](#) from The Brookings Institution - provides a narrative overview summary of the current crisis.
- [For Schools, This Recession Will Be Worse Than the Last.](#) Here's Why from Education Week - a succinct description of factors likely to deepen the impact of the recession.

- [District Leaders Have Some Big Decisions to Make. Here Are 6 Things to Know](#) from Education Week - detailing six recommendations for planning including recruitment, hiring, staffing, and international teacher recommendations to consider.
- [The Coronavirus Crisis Doesn't Have to Lead to Layoffs](#) from the Harvard Business Review - Recommendations for approaching the necessary work of managing the economic effects of COVID-19.

Overview: Edunomics' Analysis of Financial Knowns

The following provides an overview of factors and implications of the current financial landscape. The information comes from [What Will The Financial Turmoil Mean For Public Education?](#), a two-part webinar that provides quick, high-quality considerations for contingency planning. This section is meant to provide a concise overview to approach scenario planning.

[Webinar Part I Highlights](#)

Big Picture 2020-2021		State Revenue
<ul style="list-style-type: none"> ● States have fewer funds for districts (and competing priorities - emergency public health, Medicaid, transportation, higher ed) ● Reduced teacher turnover drives up salary costs (experienced teachers aren't replaced by novices) ● More students living in poverty with greater needs ● Pension funds see greater gaps ● Enrollments may drift up due to exits from private schools 		<ul style="list-style-type: none"> ● Reduced state revenues will hurt districts in states with greater reliance on state funding. ● Local funds tend to be driven by property taxes, which tend to be more stable in an economic downturn. ● Within states, higher-poverty districts tend to be more reliant on state \$ than more affluent districts
Short Term	Looking Ahead	Common Themes
<ul style="list-style-type: none"> ● Protect reserves ● Freeze hiring now ● Refrain from making promotions (VPs, lead teachers, etc.) ● Reduce any recurring costs ● Communicate 	<ul style="list-style-type: none"> ● Examine benefits ● Seek per pupil cost reductions to every central dept ● Reduce HR/PD more since not hiring ● Shift budgeting choices to schools and permit 	<ul style="list-style-type: none"> ● Choices become political and hinge on what central leaders can get done ● Cutting is consuming. No other reforms take place (e.g., preschool investments, SEL, etc.)

	<ul style="list-style-type: none"> • tradeoffs to protect what schools value • Leverage attrition. Avoid one-size-fits-all • staffing cuts 	
--	---	--

Webinar Part II Highlights

Typical stages of hurried STATE cuts		
Warning →	Trim Perimeter →	Basic Funding Cuts
<ul style="list-style-type: none"> • Issue general warnings regarding broad budget cuts and postponements for promised allocations 	<ul style="list-style-type: none"> • Trim new or perimeter allocations including: Recently added initiatives (e.g., recent salary raises, PreK, SEL, ELL, COLAs) • Funding lines outside the basic formula that typically affect smaller groups (could include CTE, PD, charters, after school funds) 	<ul style="list-style-type: none"> • Fund only a portion of the basic formula (e.g., 95%) • Sometimes states will raise lid on local property tax caps to permit districts to raise more funding locally (typically benefits affluent and urban)

Final Word

The current crisis will have explicit and detrimental effects on the next school year. The exact depth and range of the effects is not yet known but planning for multiple scenarios and clearly communicating those possible scenarios to all stakeholders is vital for confidence and continuity.



**Take Me to All Marshall
COVID Resources ▶**

www.marshall.org/covid/