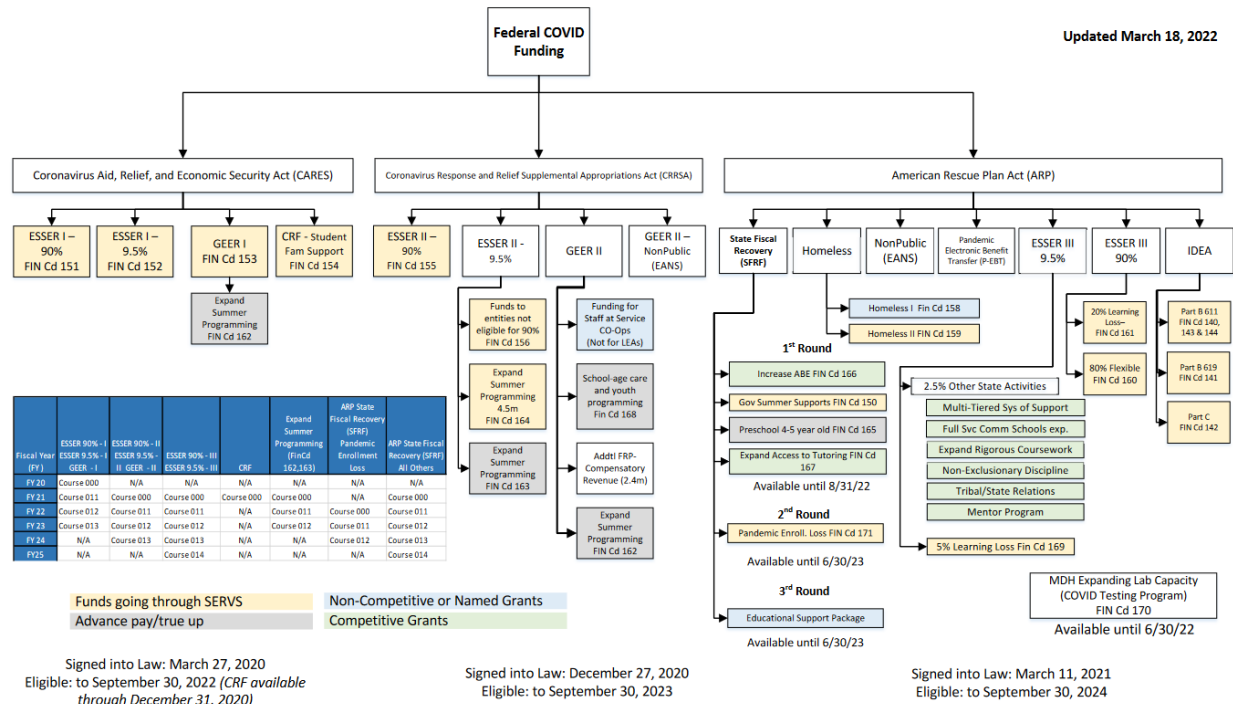


ISD 318 and Its COVID Resources

ISD 318 has been very lucky to be the recipient of over \$12 million in COVID/ESSER/ARP grants. When you step back and think about the magnitude of this amount, it's overwhelming... 19 new grants with federal-funding strings attached. Just as overwhelming as the volume is the maze of grants, codes, timelines and restrictions that go along with these funds.

Below is Minnesota Department of Education (MDE) COVID flow-chart for the funding. It's meant to help navigate, code and understand the grants. I am not sure about you, but studying this makes me a bit nauseous. I want to help you understand how these awards help our District and how I can't use them to solve all of our financial problems. Believe me, if there was a way, I'd be doing it now.



These funds have been a blessing to the District in a time when we are struggling financially and many of you have asked why we don't just use these to "solve the health insurance problem" or "give raises" or "hire more staff"? All of these are very logical questions and if I hadn't been an auditor and business manager for 20-years, I'd ask the same questions. I am going to do my best to explain this world of COVID funding.

March 13, 2020, our world changed with Governor Walz's Executive Order that closed schools to students. My first day as ISD 318's business manager was April 6, 2020. I met a few of our staff but could only identify them from their eyes and hair...and in a Zoom square (not meant to rhyme). At that time, none of us knew what COVID would eventually turn into and how it would affect our lives so completely. And a pandemic? Being privileged to live in the United States my whole life the word "pandemic" was something that happened in other countries or in the United States in 1918...not idyllic healthy, land of lakes and trees, Minnesota...right? But, the kids didn't return and our senior class

missed prom, playing in their last sports season and fun group graduation photos and parties. We all missed a lot of living.

With the schools closed, everyone behind masks and an unknown future, our staff started planning. We were told we needed to spend our first pandemic grant of \$1m between July 1 – Dec 30, 2020. With absolutely no prior experience in a pandemic; food service, transportation, buildings and grounds, technology and education took on a completely new look. We needed to guess what would be needed to service and educate our kids *if* they came back to school in September 2020 or if they couldn't return. (AND, at that same time, the District needed to organize the opening of two new schools and close three. Our staff are truly remarkable.)

The first 5-grants were spent preparing for the “what-ifs” and “how-tos”...what-if we can't have the kids back? What-if the kids come back and we can't distance them 6-FEET because of our current desks? How do we support all of our staff if our kids aren't in school? How do we make sure our kiddos eat if they aren't in school? How do we educate every kid if they aren't physically in our buildings? How do we possibly keep our 900,000 square feet of space and our 60-buses “COVID-clean”?

In hindsight, the staff at ISD 318 were brilliant. Each kid had an electronic device and internet (provided by the school if they didn't have it before) and teachers had software, headsets, camera, second-screens and other devices to make the education happen. Food service and transportation worked together to prepare bag lunches and deliver these to kids while not in school (at no cost to the families). Buildings and grounds stocked cleaning supplies and tools and our nurses made sure we had enough masks, antibacterial wipes and liquid as well as thermometers and sick-beds to address each possible viral symptom. We even provided a daycare the first year for all front-line workers. Do you remember?? It seems like a lifetime ago but that was our reality.

We gradually made it back to the courts, ball fields, rinks and classrooms. Our kids got to have a prom AND graduate outdoors, starting a new tradition. We learned lessons that will last a lifetime.

With one full year done, the District had spent \$2.5 million in COVID funding of the total \$58 million in general fund expenditures making the education experience happen and avoided laying off any staff. Knowing that we would have strict guidelines when kids returned to class, the District spent hundreds of hours on training and developing a “Return-To-Learning” document. COVID funds made the training hours possible for the District.

One of the big changes that came with the COVID funding was all of the summer school opportunities. Over \$1.7m of our COVID grants are specifically for summer and after-school learning. Community Ed, educators, transportation and food service have provided our kids with a full summer school experience since the pandemic started.

During the past school year, we provided a COVID testing clinic and serviced our own and all of IASC staff who then assisted with their costs. The clinic costs were completely covered by COVID funding. The District was also able to provide sick-leave for staff that needed to be out because of COVID. Mental health was also important and the District continues to employ an additional counselor to assist with needs.

As we transition from “COVID-needs” to spending our remaining grant awards (because if we don't spend them, we lose them) the District is trying to be judicious. The remaining funds of \$6.5m are

one-time funds that can only be spent once. Before the pandemic, when I interviewed for the business manager job, I inquired of the interview panel why the District had been deficit spending for 4-years *and* was on track to deficit spend in FY2020, too. The point? We have been spending beyond our means for several years. Now, throw a pandemic in there and see what that does to your costs and bottom-line. The pandemic hasn't been kind - providing record inflation and sky-rocketing healthcare costs. (*Sidebar – we do not have one-single revenue that increases because of inflation...no help from anywhere for the higher costs.*) As we have made cuts the past three-years, (especially in FY22 and FY23) COVID funds have been used on one-time expenses, like adding instruments or curriculum, or science equipment and desks and chairs...the list is long. We purchased items that made the pandemic learning easier and will help reduce future costs. We also have used the funds to support staffing positions so that cuts wouldn't have to be as deep.

If you think about it, if we were to put the COVID funds on a salary schedule, that expense would grow each year and cost the District long after the COVID funds expired. If we were to use the COVID funding to offset the insurance costs, we would still have high insurance costs but no more COVID funding to subsidize the costs to the employees or the District in FY2024.

Not all of our remaining COVID funds can be spent on general education. This year, approximately \$4.5 million in COVID funds are being used to offset expenditures and balance our budget. Without those funds, there would've been additional budget reductions and less opportunities for our students. Below is a breakout of our remaining funds.

Amount	Restriction
\$ 900,000	Summer School
\$ 237,500	MTSS Initiatives
\$ 15,000	Homeless student needs
\$ 35,000	Early Intervening (Sped)
\$ 98,000	COVID Testing or HVAC
\$ 5,200,000	Operations (some restrictions)
\$ 6,485,500	Total

There continues to be surprise COVID funding grants. This past month, we were notified of a \$98,000 award for a COVID testing clinic. While I pray this is a thing of the past, we took the award and can spend it on air-filters (I am getting creative). COVID funding is tricky....no one knew what this pandemic would do to our world or how long the effects would last. Not knowing the future, the Federal Government and MDE awarded grants and we have been lucky to have the opportunities to spend them. We will continue to spend these in compliance with the grant parameters and in a way that do the most good for our District as we strive to make deficit spending a thing of the past.