

ROADMAP FOR SCHOOL SYSTEMS NAVIGATING THROUGH COVID-19:

FINANCE & DEVELOPMENT  (access all Roadmaps at www.catalyst-ed.org/covid/roadmaps)



ROADMAP SECTIONS

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ROADMAP KEY

 DEI  Finance  Instruction  Social and Emotional  IT and Operations  Talent  Resilient Leadership

Phase 1 - Launch Remote Learning	Phase 2 - Finish the School Year Strong	Phase 3 - Implications for Summer & Beyond	Resources and Sample Technical Assistance Projects (request support here)
Managing Your Current Fiscal Year Budget			
<p>Develop deep understanding of overall FY20 financial health and potential changes to expenses and cost savings due to COVID-19</p> <ul style="list-style-type: none"> • Savings: Transportation services, contracts with external consultants, field trips, EOY events, facility cost savings, etc. • Costs: Additional technology, meals for families, social media or marketing increase costs for recruitment and enrollment <p>Share the FY20 financial health picture early and often with your CEO/Superintendent and board. Work with your board, authorizers, and lenders to affirm what an appropriate fund balance may be for you in the SY '19-20 and '20-21 years.</p> <p>Apply for stimulus support, if available as an option.</p> <p> Work in partnership with Talent team to forecast impacts to budgets of key talent investments (hiring, benefits, employee support). With your Chief Talent Officer, determine what near term decisions (hiring freezes, COLA adjustments) you will put in place. (See Talent Roadmap)</p>	<p>Continue strategies for holding SY '19-20 surpluses or other strategic positioning in order to go into the SY '20-21 year as healthy as possible.</p> <p>Rollover any surplus to SY 20-21.</p> <p>Identify other strategies to position your balance sheet to weather a recession.</p> <p>Develop a communication plan to narrate your ongoing state of financial health.</p>	<p>Based on the early positioning, use any surplus to address SY 20-21.</p> <p>Continue communication plan to narrate your ongoing state of financial health.</p>	<p>Sample Technical Assistance Projects:</p> <p>Developing detailed budget forecasts with scenarios for variations in revenues and costs (based on projected enrollment, state funding, philanthropic revenue, etc.).</p> <p>Identifying and executing on strategies to increase revenues where possible (e.g., through philanthropic support or partnerships)</p>

Enrollment and Growth Shifts

Estimate any short term enrollment or attendance shifts and (where applicable) the impact to SY '19-20 revenue.

- ✉ Coordinate with Operations team to assess evolving data on enrollment shifts, the economic outlook and your local situation to identify:
 - projected SY '20-21 enrollment losses
 - possible SY '20-21 enrollment opportunities
- ([See IT and Operations Roadmap](#))

Coordinate with leadership to assess whether new school openings and growth plans require adjustment.

As the summer and start of school evolve, monitor the shifts in enrollment and the impacts to your 'SY 20-21 budget.

State Funding

Assess potential for any delays or cutback to current year state funding.

If your state provides funding based on ADA, ensure you have attendance tracking protocols in place. (Share this rationale to families so they understand why this is important).

Monitor state communications on evolving SFY '20-21 funding timelines, amounts, etc. (Some states may contemplate quarterly revisions to budgets or other creative solutions).

Continue to monitor and adjust to state guidance.

Grant Management and Fundraising

Consider short term communication strategy with funders. Assess grant requirements which may not be met (or measurable) given COVID-19 shifts.

Ask for additional funding in areas requiring supplements. Some funders are giving quick small infusions to support the transition. Ask for no-cost extensions in areas where the work may be delayed.

Renegotiate existing grant requirements with funders.

Analyze current funder relationships in light of potential recession. Highlight areas that are more significantly impacted. (Experts are currently estimating a 10% drop in philanthropic giving in SY '20-21. Funders with private equity backing may be hardest hit.)

Triage fundraising efforts already underway and determine what to continue, defer or adjust.

Identify any needed shifts to fundraising approach given the current landscape of funders.

Pursue fundraising efforts to address any gaps in SY '20-21 budgets due to enrollment shifts, state budgets or diversion of philanthropic funds to other COVID-19 related needs.

Sample Technical Assistance Projects:

Developing a grant management and fundraising plan. Researching the current landscape of funding opportunities. Developing grant proposals.

Identifying and executing on partnerships to provide community-based supports to students and families.

2021 Budget Process

With Superintendent/CEO, develop early communication strategy to board, helping them see your current financial position and the process you will be undertaking to assess and respond to various scenarios.

Establish values or decision making protocols on how you are going to make tough budget decisions.

 Partner with Talent team and leadership team to determine the path forward on budget, including any new FTEs or promotions that were planned for 2020-21. ([See Talent Roadmap](#))

 Support the Operations team in revising your FY21 enrollment assumptions (run different scenarios, look at returning student data, etc.) ([See IT and Operations Roadmap](#))

Create a variety of budget scenarios varying your projected enrollment, state funding, and philanthropic revenue.

Identify key decisions to be made about growth, construction projects, etc. as part of SY '20-21 planning.

Engage with your board and Superintendent/CEO early and often about potential scenarios.

With your Superintendent/CEO, identify when to shift from monitoring/scenario planning to making revised budget decisions.

Develop communication strategy to inform your leadership team. Help them understand potential scenarios and the impact to strategic priorities and financial modifications.

With your leadership team, make revisions to your SY '20-21 budget. Finalize the revised budget with your board.

Put monitoring and adjustment processes in place to adjust in the event of long-lasting COVID-19 measures or deeper recession impacts.

Sample Technical Assistance Projects:

Developing detailed budget forecasts with scenarios for variations in revenues and costs (based on projected enrollment, state funding, philanthropic revenue, etc.).

Workforce Changes and Talent Needs

 Work with Talent team to determine key financial impacts of short term workforce payment needs and potential non-monetary ways for showing support. ([See Talent Roadmap](#))

 Partner with Talent team to regroup in compensation philosophy and determine culture and budget implications of any adjustments to raises, promotions, and COLA. ([See Talent Roadmap](#))

 Work with your Talent team and school leadership team to model any longer term workforce adjustments due to summer school needs or changes to 'SY 20-21 model. ([See Talent Roadmap](#))

 Serve as a resource to the Instructional team as they decide if expanded summer learning programs, shifts to start dates for school, or other intensive remediation strategies are viable options for your organization. ([See Academic Roadmap](#))

Monitor workforce shifts and impacts to budget.

 Serve as a resource for Talent team to assess what restrictions state funding requirements place on remote and flexible work. ([See Talent Roadmap](#))

Debt and Treasury Management

Strengthen your balance sheet by applying for or cashing out your line of credit. (Prioritize local banking relationships and do this expeditiously to get ahead of delays and interest rate increases that could come in a recession.)

Attempt to refinance existing debt.

Check that you have a safe allocation of funds between checking and brokerage accounts. Evaluate the liquidity and volatility of your investments in your brokerage account to ensure you have a healthy stance you are comfortable with.

Build relationships with your local bank to request loan deferment options, etc.

If needed, develop new lender relationships.

Audits and End of Year Close-Out Strategies

With your Superintendent/CEO and your board, identify areas that make sense to take a more lax approach to documentation or end-of-year wrap up policies.

Identify new internal timelines for pacing work given potential deference from state or external parties on traditional end-of-fiscal-year processes.

Conduct your modified end-of-year wrap up.

Work with auditors, authorizers, and other agencies to ensure compliance with the spirit of policies. Negotiate for adjusted timelines, reporting requirements, or other concessions.

