ESSER Funding Cliff Toolkit

Data-Driven Financial Decision Making for Post-ESSER Spending

House Select Committee on Education Reform
Monday February 12, 2024

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Deputy State Superintendent

go.ncdpi.gov/RoIToolkit2024
Purpose

The purpose of the ESSER Funding Cliff Toolkit is to provide PSU leaders with relevant information and data around ESSER expenditures and student outcomes as well as resources to understand which ESSER investments were most effective. The data sources, tools, and information in this toolkit alone cannot provide answers to all these questions.

However, this toolkit is designed to support a data-driven approach to evaluating investments and budgeting post-ESSER funding beyond September 2024. By approaching this process early, PSU leaders will be able to fully understand what worked during ESSER and develop plans for sustaining or sunsetting various programs and initiatives.
Toolkit Usage

- The toolkit is designed to systematically support PSU leaders through the process of reviewing data, determining Return on Investment (ROI) for ESSER investments, and developing a budget process to support their 2024-2025 budget planning.

- The toolkit is explicitly designed to support conversations and discussions between decision makers including the superintendent (or charter school leader), chief finance officer, and administrators with budgetary responsibilities.

- Reviewing data, determining ROI, and budgeting should be a collaborative effort that supports and encourages healthy, yet transparent, dialogue around which ESSER investments were most impactful to understand what should or should not be funded moving forward.

- Within each section of the toolkit are questions for discussion that will help initiate conversations amongst the leadership team. It is suggested that the toolkit be reviewed in its entirety and then dedicate specific time to review data and discuss each section.
ESSER Funding Cliff Toolkit Overview

Step 1: Determine Budget Process & Timeline
Step 2: Collect Data and Evidence
Step 3: Determine Return on Investment
Step 4: Decision-Making
Step 5: Budgeting Process
Step 6: Communication

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How to use the budget timeline template:

- Move text boxes within the timeline template to align with your PSU’s actual budget timeline.
Step 1: Determine Budget Process & Timeline

Thinking Templates to Inform Budget Decision Making

Before engaging in the budgeting process, it is important to understand priorities and needs in your PSU. These thinking templates are designed to help you articulate needs and outcomes and stakeholder feedback.

How to use thinking templates:

• Convene your team to come to a consensus around PSU priorities and needs
• The ESSER dashboard can help the team fill in information related to budget and student data

ESSER Funds Remaining $[insert figure] = _____% of the budget
Use the ESSER Expenditure Dashboard and PSU financial data to calculate these numbers.

Compared to pre-pandemic, students are ________ in math and ________ in reading
Use the student outcomes section or the YoY analysis to determine this information.

[Insert PSU name]'s Priorities
★ [Priority 1]
★ [Priority 2]
★ [Priority 3]

After examining data, set your priorities above that will inform the budgeting process

Our [insert stakeholder] [teachers, parents, etc] [insert concern raised by] [insert concern raised by]
Identify any concerns raised by school groups (parents, teachers, administrators, etc.)

Our [insert stakeholder] [teachers, parents, etc] [insert concern raised by] [insert concern raised by]
Identify any concerns raised by school groups (parents, teachers, administrators, etc.)
Step 2: Collect Data and Evidence

- Dashboard uses data from several sources to provide a visualization of ESSER spending for each PSU since 2020.
Discussion Questions:

• What data surprised you the most?
• Were there areas of concern?
• How could you use this to support your decision-making process?
Step 2: Collect Data and Evidence

NC Ed-Relevant Dashboards

• Additional resource for PSU leaders to more comprehensively evaluate student outcomes

District/School/Charter Year over Year (YoY) Model

• Will be provided during February Regional Sessions
Step 3: Determine Return on Investment

- Defining ROI in Education Overview
- Using ROI as a tool for evidence-based financial decision making
- Disclaimer

Traditional ROI Formula: Profit/Investment = ROI

\[
\text{Traditional ROI Formula: } \frac{(\text{Outcomes } \times \text{ IF}) \times (\text{Number of Students } \times \text{ Special Populations Multiplier})}{\text{Total Cost}} \times 100 = \text{ROI}
\]
Step 3: Determine Return on Investment

ROI Tool Overview

1. Pre-Work: Determine Scope and Data Sources
   a. Determine which sets of interventions/programs will be examined. As a reminder, these should not include one-time expenditures. Once you select your interventions for analysis, gather the following information for each:

   - Total Expenditures
   - Number of Students Impacted
   - Intended Outcomes Fidelity to Implementation
## Step 3: Determine Return on Investment

### ROI Tool Overview

2. **Enter Investment Information on ROI Tool**

<table>
<thead>
<tr>
<th>Investment Name</th>
<th>Total Spent</th>
<th>Number of Students Served</th>
<th>Special Student Population</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXAMPLE:</strong> High Dosage Tutoring - Elementary</td>
<td>$100,000.00</td>
<td>700</td>
<td>No</td>
<td>1. Teachers report that they view the program as beneficial to students</td>
</tr>
<tr>
<td></td>
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<td>2. Students report positive experiences with the program</td>
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<td>3. Students improve grades in Math and ELA</td>
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<td></td>
<td></td>
<td>4. Proficiency and CCR levels on EOG increases in Math and ELA</td>
</tr>
</tbody>
</table>
Step 3: Determine Return on Investment

ROI Tool Overview

2. Enter Investment Information on ROI Tool

**Example:** High Dosage Tutoring - Elementary
- Total Spent: $1,000,000.00
- Number of Students Served: 10
- Special Student Population: Yes
Step 3: Determine Return on Investment

ROI Tool Overview

3. Determine progress toward outcomes and outcome levels.

Example Outcome Ranges:

High Outcomes = 80%-100%
Middle Outcomes = 50%-79%
Low Outcomes = 0%-49%
Step 3: Determine Return on Investment

ROI Tool Overview

4. Determine program/initiative implementation fidelity

Example IF Ranges:
- High IF = 80%-100%
- Middle IF = 50%-79%
- Low IF = 0%-49%
Step 3: Determine Return on Investment

ROI Tool Overview

5. ROI Calculated + Team Discussion
   a. Larger ROIs indicate more return on investment
   b. Sort ROIs from largest to smallest
   c. Compare ROIs across investments
   d. Discuss findings with team members - “Which investments should be considered moving forward?”

<table>
<thead>
<tr>
<th>Investment Name</th>
<th>Total Spent</th>
<th>Number of students served</th>
<th>Cost per participating student</th>
<th>Fidelity</th>
<th>Progress Towards Outcomes</th>
<th>Special Populations Multiplier</th>
<th>ROI</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXAMPLE: High Dosage Tutoring- Elementary</td>
<td>$100,000.00</td>
<td>700</td>
<td>$142.86</td>
<td>0.75</td>
<td>FALSE</td>
<td>FALSE</td>
<td>1.00</td>
<td>#DIV/0!</td>
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</tbody>
</table>
After reviewing the relevant finance and student outcome data and discussing the ROI of various programs, PSU leadership will need to decide which programs should be enhanced, sustained, or sunsetted. During this phase of the budgeting process, PSU leadership should also consider the alignment of the results of the ROI process and their strategic plan.

Be sure to include stakeholder feedback and discuss any potential unintended consequences. Finally, as another tool to support decision-making, PSU leaders could consider using a SWOT analysis to support the decision-making process.

Your leadership team will have a number of potential options for funding the initiatives:

1. apply for specific grant funding,
2. ask for an increase in local level funding from county commissioners,
3. utilize innovative approaches to braiding federal funds, or
4. use a budgeting process to identify funding from within the current budget.
Zero-based Budgeting Overview

- Used across many industries to support the alignment of expenditures with strategic plans and goals.
- Useful in reducing previous budgets by 4-6%.
- Budget managers are asked to critically evaluate their budgets to justify expenditures for:
  - Need
  - Efficiency
  - Alignment to Strategic Plan/Goals
- Requires consideration of multiple stakeholders and takes time.
- Can be used to support ESSER expenditures beyond ESSER funding window.
Step 5: Budgeting Process

Zero-based Budgeting Process

- **Step 1: Pre-Planning**
- **Step 2: Data Collection**
- **Step 3: Analysis and Prioritization**
- **Step 4: Budgeting**
- **Step 5: Implementation**
- **Step 6: Evaluation and Feedback**
### Step 5: Budgeting Process

#### Zero-based Budgeting Template Overview

<table>
<thead>
<tr>
<th>Program Name &amp; Description</th>
<th>Performance Metrics</th>
<th>Justification for Current Expense</th>
<th>Alternative Approaches</th>
<th>Proposed Budget</th>
<th>Aligned with Strategic Plan</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Previous Year Expenditures</th>
<th>$0.00</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Proposed Budget</th>
<th>$0.00</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Difference</th>
<th>$0.00</th>
</tr>
</thead>
</table>

| Percent Change in Budget    | #DIV/0!             |
Considerations When Using ZBB

1. **Start small.** Consider using the zero-based budgeting process with departments within the central office or start only with schools.

2. Understand **funding limitations.** Oftentimes, local funding has fewer restrictions and is easier to repurpose compared to state and federal funding. Consider the funding sources as you determine ROI and how you might be able to repurpose funds.

3. Understand your **“Why”**. By using the ROI Worksheet, you should be able to delineate which investments were most effective.

4. Consider the **tradeoffs.** Be sure to weigh the pros and cons of eliminating a program’s funding or specific expenditure.
## Step 5: Budgeting Process

<table>
<thead>
<tr>
<th>Priorities</th>
<th>Title I, Part A</th>
<th>Title 1003</th>
<th>Title I, Part C Migrant Ed.</th>
<th>Title II, Part A</th>
<th>Title III</th>
<th>Title IV, Part A</th>
<th>IDEA, Part B</th>
<th>Perkin s</th>
<th>McKinney-Vento</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Dosage Tutoring for ELA</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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</tr>
<tr>
<td>High Dosage Tutoring for Mathematics</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Multitiered system of support (MTSS)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Summer Career Accelerator Programs</td>
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<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
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<td>Summer Bridge Programs</td>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>PK-5 professional development for teachers</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
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<tr>
<td>PK-5 early literacy supports/small group intervention</td>
<td>X</td>
<td>X</td>
<td></td>
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<tr>
<td>Attendance improvement (additional staffing, strategies/PD, incentives)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
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<tr>
<td>SEL Supports</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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</tr>
</tbody>
</table>

- **NCDPI Crosswalk**
- **New Jersey DOE Maximizing Federal Funds Website**
- Assess options for sustainability using braiding of federal entitlement grants
It is important for PSUs to message the end of ESSER, budget decision-making, and any changes to staffing and programs.

- Communications Template Document (Edunomics Lab, 2023)
- ESSER Plan Communication (ERS, 2022)
- District ESSER Outreach Toolkit (Oregon DOE, 2023)
Next Steps: Regional Sessions

- Each district can bring up to 6 representatives, charter schools can bring up to 3 representatives.
- Who should attend?
  - Superintendent or designee
  - Chief Finance Officer
  - Federal Programs Director or Coordinator
  - Chief Academic Officer
  - Director of Human Resources
  - Public Information Officer
- Lunch Provided
- Reach out to Richard Lewis for any issues with registration (richard.lewis@dpi.nc.gov)
Next Steps: Prep for Regional Sessions

**Items to consider:**
- ESSER Fiscal Cliff Dashboard
- ESSER Funded and Implemented Programs
- Student Data and Progress (Accountability Dashboard)
- Staffing and Enrollment Trends
- Strategic Plan Goals and Strategies

**Questions:**
- What is the PSU’s risk for a dramatic fiscal cliff post-ESSER? (see p. 5 of the Funding Cliff Toolkit)
- What initiatives/programs/expenditures will different groups of stakeholders be most interested in sustaining post-ESSER?
- What are the PSU’s top 2-3 priorities and which expenditures most support those priorities?
If you have additional questions, please reach out to the individuals below:

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