

**BEMIDJI AREA SCHOOLS  
BEMIDJI, MINNESOTA**

**DATE: JUNE 21, 2021**

**TO: BOARD OF EDUCATION, ISD #31**

**FROM: KRISI L. FENNER, CPA, DIRECTOR OF BUSINESS SERVICES**

**SUBJECT: FEDERAL FUNDING RELATED TO THE COVID-19 PANDEMIC**

**COMMENTS:**

Attached please find a spreadsheet summary of the federal relief funding that has been allocated to our district as a result of the COVID-19 pandemic. The award amounts, spending periods, and Bemidji Schools uses or potential uses are noted on the spreadsheet.

**THE THREE FEDERAL ACTS**

The first act passed by congress in March of 2020 is known as the Coronavirus Aid, Relief, and Economic Securities Act. (CARES) From this came the CRF, ESSER I, and GEER I funding streams.

The second act of federal relief, known as the Coronavirus Relief and Recovery Supplemental Appropriations Act (CRRSA) was passed in December of 2020. From this came the ESSER II funding.

The third and most recent act of federal relief, known as the American Recovery Plan Act (ARP) was passed in March of 2021. From this came ESSER III as well as various smaller streams of one-time funding.

**USES AND PLANNED USES**

Each of the pandemic relief funds have come with directives, restrictions, and spending windows. The CRF funds had its own set of guidelines while the ESSER I, II, and III have had the same allowable uses but progressive focuses.

**CRF (\$1.4M) and ESSER I (\$1.1M)** funding focused on providing **relief**. Uses of these funds included purchasing PPE and cleaning supplies, addressing air quality, upgrading to touchless fountains/faucets, purchasing technology and other supplies, and funding staffing costs related to distance learning.

**ESSER II (\$5.1M)** focused on **recovery** by addressing revenue shortfalls created by the pandemic included enrollment driven state funding, Compensatory Revenue, registration and participation fees, and food service revenue. The projected budgetary shortfall for Bemidji Schools was \$5.6 million for FY21 and FY22. The district has identified \$4

million in reductions to date. This funding has filled the gap between that lost revenue and the further reductions needed to offset it. This funding buys us the time needed to answer the unknowns around fall enrollment, future state and local funding, and the needs of our district as we continue to address our systemic budgetary imbalance.

**ESSER III** (\$11.6M) is focused on continued recovery and reform. 20% of this funding is required to be set aside for learning recovery and the remaining 80% to address other needs including but not limited to long-standing health needs, strengthening connections to school, addressing the needs of our students, and making long-term changes to curriculum and instruction based on lessons learned during the pandemic.

A steering committee led by Superintendent Lutz and consisting of staff, administration, parents, and community leaders has been tasked with identifying needs and creating a plan for board approval that meets those needs. This is one-time federal funding will continue to support our revenue shortfalls by keeping existing staff employed and maintaining continuity of operations over the next three years as well as addressing the needs of our students and our district. There will be more to come on this in future months

As a final point- while the district will use these federal relief dollars to continue to address pandemic related needs, they are not the answer to our budgetary imbalance. This funding will not replace state education funding or the support of our local community. We must continue to strive to balance our budget or we will find ourselves on the edge of a fiscal cliff once the federal relief funding is gone.

