Interim Progress Assessment:

Managing and Evaluating the Use of Federal Relief Aid

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Council of the Great City Schools

In the spring of 2021, President Biden and Congress approved an unprecedented infusion of federal funds into our public education system to safely reopen schools, address pre- and post-pandemic unfinished learning, and build lasting, equitable systems of teaching and learning. While these resources were badly needed, it was clear that the new funding would test the ability of school systems to properly manage and allocate the money in ways that most effectively address student needs.

To provide guidance and support in this endeavor, the Council of the Great City Schools assembled a high-level task force of urban district leaders to develop and release a toolkit entitled Investing American Rescue Plan Funds Strategically and Effectively. School districts are now one year into their federally funded relief and recovery efforts. As we reach the anniversary of the release of the Council's initial investment guidance, district leaders should take the opportunity to step back and assess their investment planning and implementation.

Purpose and Audience

This document aims to provide a framework for this assessment process, specifically designed for Chief Financial Officers and their teams.

- The document first sums up the guiding principles and considerations provided last year.
- We then provide a series of questions aimed to help districts assess their work to date, and to suggest potential next steps for financial management efforts. This is not meant to be an exhaustive list. Rather, these questions are designed to prompt discussion about current initiatives and to suggest potential next steps.
- The document ends by identifying a set of "warning indicators"—problematic approaches or developments based on guidance from last year on what to avoid. If the district's finance efforts meet any of these criteria, it should signal to the district leaders the need to rethink or refine their strategy and processes.

Guiding Principles for Financial Management

The Chief Financial Officers (CFOs) have a critical role to play in helping evaluate and prioritize proposed investments; track and report expenditures in a compliant, transparent manner; and pace investments with the grant period end date in mind to avoid creating an unmanageable financial cliff. The Council's investment guidance from June 2021 underscored the point that districts should assess the needs of students as a starting point for sound investment planning, and engage a range of stakeholders, including leaders and staff from across the organization as well as board members, school representatives, families,

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and the community. At the same time, the district's spending plan cannot amount to a collection of departmental, school, and community wish lists. While the federal grant period is only three years, the impact of investments should be long-term and sustainable. The district should therefore prioritize investments that build internal instructional and operational capacity, support the immediate and long-term needs of students—with an emphasis on equity and supporting students who have been disproportionately impacted by the pandemic—and advance the district's overarching goals and strategic plan.

Interim Progress Assessment Questions for Chief Financial Officers

1. How are you ensuring the strategic allocation of federal relief funds?

- ☐ Established a process to evaluate how potential instructional investments are aligned to district priorities and needs to advance instructional capacity.
- ☐ Reviewed evidence provided by all departments to establish a rationale for investments.
- ☐ Reviewed instructional investments through an equity lens, prioritizing students most in need of intensive support or intervention.
- ☐ Estimated the financial impact of programs in a scalable format to identify the scope of work. For example, projecting how extended learning time, high-dosage tutoring, or small group instruction will impact student learning.
- ☐ Ensured that instructional investments are connected to addressing unfinished learning and supporting the needs of all students.
- ☐ Focused investments on a few high-leverage practices, to build long-term capacity and avoid overwhelming schools with several disjointed programs.
- ☐ Stated clear goals and objectives in the proposed budget for each major initiative, project, and program.
- ☐ Identified an evaluation plan, with clear metrics, for determining investment impacts on student outcomes.
- ☐ Implemented a continuous improvement process to allow for adjustments in investment strategies or initiatives as needed.
- ☐ Analyzed data and evidence to identify and expand effective existing and new initiatives and redesign or curtail ineffective initiatives.
- ☐ Determined causes and identified alternatives when initial efforts to advance major initiatives, programs, and projects are not successful.
- ☐ Other: ____

2. How are you monitoring and tracking the effectiveness of investments?

- ☐ Identified measurable outcomes and associated metrics for each investment.
- ☐ Allocated resources only after identifying milestones, cost drivers, target completion dates, and staff responsible for major initiatives, programs, and projects.

- ☐ Followed project management methodologies, collaborative decision making, and instituted cross-functional teams to develop and monitor overall strategies to address multi-dimensional issues associated with major initiatives, programs, and projects.
- ☐ Established effective cross-functional working groups, including the CFO, subject matter experts, and communications specialists, to coordinate plans, goals, and priorities related to major initiatives, programs, and projects.
- ☐ Involved the CFO in planning, implementation, and reporting for all investments.
- ☐ Adhered to grant and district policies and procedures and enforced consequences for inaction or inappropriate actions.
- ☐ Monitored funding to ensure students most impacted by the pandemic received needed instructional and non-instructional supports.
- ☐ Maintained flexibility to allow for mid-course adjustments so resources with the greatest impact can be redistributed and other unforeseen events can be addressed.
- ☐ Monitored grant requirements routinely to ensure district and school compliance.
- ☐ Ensured Maintenance of Equity requirements are met.
- ☐ Other: ____

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3. How are you pacing investments and mitigating the potential fallout from a funding cliff?

- ☐ Developed a multi-year spending plan across all years of federal pandemic relief grant periods and 1-2 trailing years, to show how funds will be allocated and how initiatives will be sustained after the grant period.
- ☐ Calculated the potential financial impact of all investments over the grant period.
- ☐ Balanced operating funds separately each year, ensuring that cost increases are not covered by these funds without clear disclosure.
- ☐ Established a plan to realign funds with the grant period if cost increases occur.
- ☐ Limited investments to non-recurring items and established clear end dates for new positions or programs funded by these federal funds.
- ☐ Identified sustainable funding sources for positions or programs that will continue after the grant period.
- ☐ Communicated the temporary nature of these federal funds and ensured that services or positions created with these funds are known to be temporary by all stakeholders.
- ☐ Developed timelines for planning and implementing investments that account for lead time. For example, recruitment of staff, providing professional development, and acquiring new technology takes time and resources.

- ☐ Predicted and leveraged natural attrition to help manage staffing levels across all departments, in collaboration with the Human Resources Director.
- ☐ Anticipated future vacancies and augmented temporary staffing with limited-term, grand-funded positions to incumbents that can later be transitioned to existing positions.
- ☐ Advertised limited duration positions clearly, with a defined process to sunset these positions. Candidates are aware of the position end dates prior to acceptance.
- ☐ Other: ____________________

4. How are you building the district's financial management capacity to meet the demands associated with federal relief funds?

- ☐ Conducted a self-assessment of existing systems, procedures, and staff to determine if there is sufficient capacity to meet the challenges associated with managing, tracking, and reporting on the use of federal relief funds.
- ☐ Identified limitations in current capacity that require additional resources.
- ☐ Identified training needs and recruited to fill positions with specified skill sets.
- ☐ Ensured coordination among district systems (ERP, HRIS, SIS, Student Accountability) to provide oversight of instructional investments.
- ☐ Established or expanded the project management office to coordinate and oversee initiatives.
- ☐ Identified the department that owns position control and established clear lines of communication between the Human Resources and Finance offices regarding budgeted positions and new recruitment needs.
- ☐ Reviewed and modified succession plans for key finance personnel to ensure business continuity.
- ☐ Reviewed and revised data flow and work processes to ensure they are well-defined and enable staff to understand their roles.
- ☐ Ensured that all necessary documentation, standard operating procedures, and handbooks are user-friendly and available online.
- ☐ Created a cohesive and integrated technology strategy, in consultation with the information technology leadership.
- ☐ Reviewed the business processes and implementation of district ERP systems to ensure full functionality and maximize power.
- ☐ Provided training resources and materials to staff to maximize ERP and other systems to ensure best practices are implemented.
- ☐ Monitored federal Uniform Grant Guidance (UGG) requirements to ensure compliance related to procurement, contracting, inventory/supply management, cash management, internal controls, and auditing.
- ☐ Other: ____________________

WARNING INDICATORS

- Investments are made without conducting a needs assessment or being aligned to the district's vision.
- Investments are made without reviewing supporting evidence.
- Instructional and non-instructional investments are made without regard to supporting the students most impacted by the pandemic.
- The financial impacts of investments are not predicted, calculated, or monitored over the grant period.
- Investments are disjointed and each school has several new programs to implement.
- Major initiatives are funded without clearly identified goals or objectives.
- There is no plan to evaluate investments – metrics and timelines are not established.
- Alternative investments are not identified for unspent funds, and course corrections are not permitted or anticipated.
- Finance policies and procedures are not known or followed by all departments.
- Investment decisions are made in isolation by each department—without the participation of the CFO or collaboration among subject matter experts, communications team, and the research department.
- District staff, key stakeholders, and the public are unaware that the funding is temporary and expect all funded programs and positions to continue indefinitely.
- Investments are not addressing unfinished learning, students' socio-emotional or mental health needs, or facilities improvements.
- Sustainable funding sources are not identified for effective programs that will continue beyond the grant period.
- Many new positions are created without looking ahead to determine future funding sources.
- Business processes and procedures are not clearly outlined or shared.
- Systems used districtwide (e.g., ERP, SIS, HRIS) are not integrated or used efficiently.
- Communications to families about finance efforts are provided only in English.

If any of these statements describe your district's finance efforts, you should rethink your strategy.