



SCHOOL FUNDING: COVID-19 FAQ'S

I heard there was a billion dollar deficit in the State Budget, what does that mean for our schools?

Unfortunately, the sources of revenue for the School Aid Fund are susceptible to fluctuations in the economy. Sales tax and income tax are 2/3 of the fund's revenue. When spending and income goes down—like it has since March—so does the School Aid Fund.

The state budget deficit meant that the Northville School District—as well as all districts across the state—had a funding cut of \$175/student for the 2019-2020 school year. This resulted in almost \$1.3 million being cut from the June funding distribution from the state. The cut came after the money had already been spent for the school year requiring the district to absorb the loss.

Fortunately, the Federal Government helped out to keep school funding stable for 2020-2021. The State also gave each district a \$65/student discretionary, one-time allocation. In spite of this, there is concern for the 2021-2022 school year. Additional federal or state funding is questionable and if the economy does not improve, there will likely be budget cuts for the 2021-2022 school year.

You mentioned Federal funds—I heard the CARES Act gave money to Michigan schools. What about Northville?

Northville did receive additional COVID relief funding that had to be spent by December 30, 2020:

\$2,582,020	- Coronavirus Relief Funds
\$ 90,886	- District COVID Costs
\$ 96,962	- Elementary and Secondary School Emergency Relief (ESSER) Funds—Education Stabilization Fund
\$ 0	- Elementary and Secondary School Emergency Relief (ESSER) Funds—Education Equity Fund*
\$ 0	- Governor's Emergency Education Relief (GEER) Fund Grant*
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\$ 2,769,868	- TOTAL COVID-19 Funding for Northville Public Schools (*fund for districts with 50% economically disadvantaged)

As with most grants, funds were distributed to school districts, based on certain criteria and with conditions on how they were to be spent. As of December 8, 2020, NPS has spent these funds on PPE & Safety Supplies (\$700K), additional custodial costs (\$514K), Chromebook replenishment (\$773K) and virtual instruction (\$600K), totaling \$2,587,000. The second CARES Act has additional funding for schools, however, how and when the funds will be distributed has still not been determined. Northville may or may not be eligible to receive additional funding. To learn more about the details of the various grant criteria and requirements, go to the Michigan Department of Education website and search "CARES Act and Coronavirus Relief Fund (CRF) Information."

I understand that many families left the District — How will that impact Northville's funding?

The number of students in the district multiplied by the District's foundational allowance is the dollar amount that makes up the bulk of NPS's budget. When enrollment in the District goes down, it loses funding. Because of the impact of COVID-19, the State of Michigan altered its counting method. For the 2020-2021 school year, the formula is a weighted blend of 75% of last year's count and 25% of this year's count. Northville lost 180 students for the 2020-2021 school year. If enrollment stays down for the 2021-2022 school year, Northville will lose over \$1,500,000 in funding. For more information, go to the Michigan Department of Education website (<https://www.michigan.gov/mde/>).

What is NEF doing to help?

We are strengthening our commitment to our mission to foster and enhance educational opportunities and academic excellence for all students, by increasing our fundraising efforts and committing more funds. Like the District, NEF wants students and teachers to have the tools and resources they need to be successful, regardless of whether they are online or in person. We can not do it without you. Please consider donating today!