



February 16, 2021

To: All Pennsylvania School Superintendents

From: Senate President Pro Tempore Jake Corman

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Senate Majority Leader Kim Ward

Handwritten signature of Kim Ward in blue ink.

Senate Appropriations Committee Chairman Patrick M. Browne

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Senate Education Committee Chairman Scott Martin

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Re: Federal Stimulus Funding

Dear Superintendent:

For more than a year, the COVID-19 pandemic has impacted our state, nation and world in ways none of us could have imagined. From losses of family members, co-workers and friends; front line employees shouldering heightened burdens; mandatory shutdowns of businesses across the state; and ongoing restrictions on small businesses, the effects of the pandemic have been deep and unrelenting.

As we all know too well, the pandemic has also deeply affected our economy and significantly depressed local, state and federal revenues. In Pennsylvania alone, our five-year General Fund deficit increased by more than \$6 billion from the year before as estimated by the state's Independent Fiscal Office. As superintendents of school districts, we know your budgets have not been spared from the effects of the pandemic.

The federal government has made multiple rounds of stimulus funding available, and the Biden Administration has developed another round for consideration by Congress. To date, the initial rounds of stimulus funding generated more than \$2.7 billion for schools across the Commonwealth. However, we must underscore that while this funding has been critical to filling budget gaps caused by the pandemic, it is temporary in nature and will not be included in future recurring federal appropriations.

As we cautioned with federal ARRA funding during the 2009 through 2011 budget cycles, the temporary nature of federal stimulus appropriations requires state government, local communities and school districts to be extremely cautious in how they budget and spend those dollars. Accordingly, school districts should not use one-time federal funding to increase their ongoing, baseline spending with the expectation that the state's fiscal condition will be in a position to replace the funding in future years. Rather, federal stimulus funding should appropriately be expended for one-time purposes that can be aligned with the one-time federal dollars.

Despite our caution during the economic downturn of the last decade, there were, unfortunately, some school districts who used one-time federal funding to support ongoing programs. Those choices led to difficult and painful decisions once federal stimulus funding ended.

Given the extraordinary, albeit short-term, nature of the current crisis, we trust you will agree that this is the time for every Commonwealth governmental entity, including school districts, to advance fiscal policies which not only address immediate challenges but ensure long-term fiscal sustainability on behalf of all our hard-working Pennsylvania families.

Thank you for your sincere attention to this matter. We look forward to continuing to work with each of you to ensure that every Pennsylvania child receives a quality education.