KENTUCKY DEPARTMENT OF EDUCATION

School Councils and Budgets

Three-hour training for experienced school-based decision making membership

Objectives

- Overview
- Understand the budget responsibilities of the district, the school council and the school
- Reviewing and analyzing budget ideas from high-achieving schools and districts
- Understanding the components of an effective budget policy

Session Introduction

This training is focused on how a school council can use its budget role to help all students meet or exceed state standards. The school council must understand the priorities for student achievement, be committed to using school resources to effectively address those priorities, and ask questions regarding the school budget. The school council must make thoughtful money decisions, review budget reports and adjust the budget when needed. Good communication is a key to success in effectively using school resources.

Overview

The goal for all school councils is to improve student achievement [KRS 160.345(2)]. One way to work toward this goal is to ask questions and monitor the SBDM budget. The school council must understand the priorities for student achievement and be committed to using school resources to effectively address those priorities. The school council must make thoughtful money decisions, review budget reports and adjust the budget when needed. Good communication among the school council, central office/finance officer, principals and teachers is a key to success in effectively using school resources.

These SBDM training materials were developed by the Kentucky Department of Education for use in training new school council members in implementing school-based decision making.

Revised 02-2015

Look at the following questions. What do you know about your school council and its budget decisions?

1. How would you describe the school council's budget role?

2. How does the school council use its resources to support teachers' efforts in helping all students learn?

3. How does the school council monitor resources and the effect of those resources on student achievement?

4. How does the council ensure all stakeholders have a role in the development of the school budget?

Budget Responsibilities

To better understand the school council's role, it will help to see the role of the rest of the school community in conjunction with that of the school council. Below is a chart outlining the school council's role, the principal's role and teachers' roles as they relate to the funds that are allocated to the school:

Roles in School Council Budgeting			
District Personnel	**School Council**	**Principal**	**Teachers**
Provide technical assistance to the school council with financial obligations and requirements (i.e., Redbook requirements) Discuss categorical program options and address their use to meet identified needs through the improvement planning process Approve budget requests from the council Present the council with staffing allocations	Review budget reports Request funds from the board of education for maintenance, supplies and equipment that are not covered in school accounts Ensure that professional learning expenditures are reflected in the school improvement plan Approve the school budget annually Determine job classifications each spring	Track all school expenditures Explain MUNIS reports to the school council Ensure budget requests are aligned with the school mission and improvement goals Ensure funds are being used as described in the school budget Facilitate discussions around job classifications and school needs	Communicate budget needs to the school council Request resources that are aligned with the school mission and improvement goals

Reflection:

What questions do I already have about our school council budget?

The school council has three main responsibilities with budgets:

1. To adopt and monitor the annual budget making adjustments as needed
2. To use all the school's resources (e.g. allocated funds, allocated staff and time) to help reach student achievement goals
3. To request additional funds (Section 7 money) from the board of education as related to student achievement and the school improvement plan

Responsibility 1: To adopt and monitor the annual budget, making adjustments as needed.

A good guideline for monitoring the budget is: if it comes in and goes out, it needs to be monitored. This means looking at more than just MUNIS reports – it also includes activity funds. Adjustments should be made based on what is needed to help all students succeed.

Knowing the funding sources is one important part of budgeting. Multiple funding sources are available to the school; however, with state and federal funding cuts, these funds may be limited or unavailable.

THE SCHOOL COUNCIL'S MAIN BUDGET AREAS			
Money sources:	**Explanation:**	**Amount:**	**Date of school council access:**
Staff Allocations	Each school's funding for staff is determined in two steps. A school board formula is used to make a list of positions, and then the district salary schedule is used to attach a dollar figure to each position.	Based on school board policy that follows the school council allocation regulation.	Tentative **March 1** each year, with a final allocation by **May 1.**
Instructional Funds	Each school's average daily attendance (ADA) for the previous year is multiplied by a fixed amount per pupil. By law, the funding to councils is at least 3.5 percent of the basic per-pupil guaranteed state funding.	At least 3.5 percent of the basic guaranteed per-pupil amount. May be adjusted during the General Assembly's budget process.	Tentative **March 1** each year, with a final allocation by **May 1.**
Remaining Funds Allocation	The school board makes decisions about allocating the remaining funds left over after: • districtwide expenses • certified and classified staff allocations to schools	No set amount. School councils may make a request based on need.	**May 30** each year, if funds are available.

THE SCHOOL COUNCIL'S MAIN BUDGET AREAS			
Money sources:	**Explanation:**	**Amount:**	**Date of school council access:**
Professional Learning	(Professional Development) These funds support a wide range of activities to develop knowledge and skills for teachers in staff, with the goal of improving student achievement.	Sixty-five percent of funding provided to the school district times average daily attendance (ADA) from the prior school year.	Within 30 days of notification from KDE.
Textbook	These funds can also be used for instructional materials.	Once the state budget is settled, based on ADA for each P-8 school.	When the state budget is set.
Activity funds	School general activity funds – those funds NOT raised by a school organizations for a specific purpose.	Varies from school to school.	July 1 – June 30

Reflection:

Describe your process for staffing allocations. What questions do you still have?

Below and continuing on the next page is a list of other funding sources, both from state and federal grants, which **may** be available to schools. Many of these are district programs where the district **may** provide funds and oversee the services for students. Questions related to these funds and their availability to a local school council should be directed to the school principal or SBDM district coordinator.

Other Funds	Explanation
State Preschool	Four-year-olds from low-income families and 3- and 4-year-olds with disabilities are eligible for free preschool services.
Family Resource and Youth Services Center	These funds are used to address the physical and social well-being of students and their families to minimize or eliminate barriers to learning for academically at-risk students.

Other Funds	Explanation
KETS	Education technology that meets state quality standards is part of the state-approved district technology plan.
Gifted and Talented	Direct services to students who are identified as gifted and talented. Seventy-five percent of this funding must be used for certified staff.
Title I, Part A	Supports effective, research-based instructional strategies to help low income and disadvantaged students meet state standards.
Migratory Children (Title I, Part C)	Supports services to help students meet challenging state standards if their families make repeated moves to work in agriculture.
Neglected, Delinquent, At-Risk (Title I, Part D)	Supports services to help students meet challenging state standards while in institutions for neglected or delinquent children. Also supports transition programs for those students, dropout prevention and support programs for continued education of dropouts and those formerly in those institutions.
Title II, Part A	Supports strategies for improving teacher and principal quality.
Limited English and Immigrant Students (Title III)	Language instruction and other steps to help students with limited English proficiency, including helping immigrants develop high levels of academic attainment in English and meet challenging state standards.
Safe & Drug Free Schools and Communities	Support programs that prevent violence in and around schools and the illegal use of alcohol, tobacco and drugs.
Rural & Low Income (Title VI, Part B)	Provides additional support for NCLB-related activities in rural districts that often lack the personnel to apply for other grants.
IDEA Basic	Services needed to educate students with disabilities.
IDEA Preschool	Supports preschool for children with disabilities.
Perkins	Supports vocational and technical education programs.
McKinney-Vento Continuation	Support for homeless children to ensure educational opportunities are equal to those provided to other children and youth.
E-Rate	Special arrangements for major savings to schools on the costs of Internet access. Also called Universal Service Administrative Company (USAC) Schools and Libraries Division.

REFLECTION

Which funds are available to your school?

Responsibility 2: To use all the school's resources (i.e., allocated funds, allocated staff and time) to help reach student achievement goals.

Schools contain multiple resources (i.e., money, personnel and time). Discussion of the use of resources should be based on the school improvement plan and the needs assessment. When determining the use of these resources, the school council should take into consideration this year's students and when discussing personnel, the conversation should focus on programs and not particular teachers.

These funds can be overwhelming to consider; however, as an effective school council member, it is important that you are aware of the funds in the school and why they are allocated and used in the ways that they are.

The chart below, and continuing on the next page, provides some budget decision scenarios. Think of some questions that you might ask during a school council meeting.

Topic	Questions
Example: The library media specialist would like to purchase a set of books that will appeal specifically to middle school boys. She is responding to teacher requests and school data that suggest the need for more reading materials targeted for male students. She needs $1,200 for the books.	
1) The school has a contract with Pepsi to supply vending machines in the cafeteria and in the teachers work room. This funding source brings in $8,000 per year. The special education department is requesting these funds be used to purchase iPads for their students to assist with level 2 interventions.	

Topic	Questions
2) A teacher would like to purchase a classroom set of graphing calculators for grade 6 students. Grade 7 and 8 teachers have a set at present. The calculators are needed to help prepare students for math testing in sixth and seventh grades. Math scores are an area for improvement in the school. The estimated expense for 31 calculators is $4,000.	
3) Enrollment is down for the school. The superintendent's office has said the school will have one fewer certified staff position for the coming year, so the school council needs to cut one certified position.	
4) The data analysis shows science scores are not improving. The science teachers believe that a new teacher is needed to address this need.	
5) The school technology coordinator/ STLP coach wants to hire college students over the summer to help install new computers and software throughout the school.	
6) The school has a waiver to use in-school Extended School Services (ESS), but the counselor has requested an additional amount to pay for math tutors for struggling students.	
7) The principal has requested a new copy machine, as the current copy machine in the teacher's lounge is no longer working and the maintenance contract has expired. A new machine and maintenance contract will cost $10,000 this year to start and $2,000 each year to maintain.	
8) Teachers have come to the school council through the budget committee to ask that the school council increase the allocation for paper. Last year's allocation was $6,000. Teachers are running out of paper by April.	

Responsibility 3: To request (most often in writing) from the local school board for additional funds. These funds are usually referred to as Section 7 Funds.

What is Section 7 money?

Kentucky funding regulation 702 KAR 3:246 outlines the distribution of funds to schools. The regulation is divided into sections, which determine the uses for the funds. In Section 3, the school district pulls the funds needed for district expenses. Then, the district allocates to the school council. Sections 4 and 5 allocate certified and classified staff to the schools within the district. Instructional funds based on SEEK are included in Section 6. When these allocations are made, the remaining funds are referred to as **Section 7** funds. Within Section 7 are guidelines that govern how those funds are distributed. The local board of education can vote to provide additional funding to the school by:

1. **Average Daily Attendance (ADA)** – The local board of education divides the money among all schools based on the student average daily attendance.
2. **School Council Identification** – Each school council lists needs from its school improvement plan, and the local board of education chooses none, some or all of those needs.
3. **Disaggregated Data** – The local board of education targets money to an area of student need shown by the school's data, and the school council decides how to use the money to address that need.
4. The local board of education can **combine these methods** to distribute Section 7 resources.

Very important point: If a council wants to use 7(b) funds, they must make a school council request. Making a formal Section 7(b) request is the school council's opportunity to ask the local board of education to consider their school's unique needs. School councils should check the local district policy for the process and timeline that will need to be followed.

Reflection:

What is one idea about the budget you are going to take back to your school council and share?

Budget Ideas from High-Achieving Schools

1. What are some specific ways your school council budget has improved student achievement?
    - Used funds to designate a reading and math instructional coach to model in classrooms
    - Provided guest speakers and all-day activities in arts and humanities
    - Converted a high school computer lab into a dual-purpose lab (computer/foreign language lab)
    - Paid for more than state-required number of minutes for special resource teachers, so they have more common planning
    - Aligned special area classes with core content so they have practical living and vocational studies instead of PE, and arts and humanities instead of music
    - Paid math teachers to tutor targeted students before school using certified extended time money
    - Set aside funds (from general budget, other equipment fund) and put in $8,000 to $10,000 to replace and purchase technology
    - Hired an additional teacher to reduce class size in the intermediate grades
    - Hired a writing coach
    - Added Advanced Placement courses to increase rigor in the classroom
    - Implemented reading and writing across all content areas to improve assessment scores and success in Advanced Placement courses
    - Provided extra tutoring in reading content-area textbooks (i.e., science, social studies and math) to be successful in all classes
2. What are specific examples of what you've done with school activity funds or funds given to you from the PTA/PTO that have improved student achievement?
    - PTO funds after-school opportunities for students, including science and social studies clubs, and this year, an art club and a drama club.
    - Activities money goes to guest speakers.
    - Some of the field trips are sponsored by the PTA.
    - PTA helps with computers.
    - PTA maintains a second computer lab with older computers, called the mini lab. Teachers can use it for drill and practice. It is connected to the Internet so kids can do research, too.
    - PTO parents work with and care for kids. Grandmothers come in every day and read with kids.
    - Activity funds pay for items such as "Do Your Best" pre-testing assembly.

- The PTSA is supportive by creating, maintaining and staffing a College/Career Resource Room. It also provides supplies, books and more in the library.

3. What innovative or “outside the box” ways have you used resources that have produced great results for kids?

   - SAT/ACT online preparation software.
   - We have implemented an eight-period A/B block schedule and have developed incredible electives for students, especially in the arts. Students love the choices, and they enjoy learning on the “right” side of the brain. They can take keyboarding, drawing, painting, band, orchestra, ballet, technical theatre and more. This schedule is expensive because we commit money to more teaching positions and facilities. There is little left for anything but teaching essentials.
   - The school recruited community people to teach classes. A UL law professor has volunteered to teach AP Government and Politics for five years at Manual. This semester, a judge is teaching about four Supreme Court cases that changed America.

4. How have you creatively used other resources, such as your human resources (people), school space, staff and student time to improve student achievement?

   - We have common planning among grade levels every day. Teachers meet monthly after school to do vertical alignment.
   - We have chosen to hire more instructional aides in place of one teacher. One aide is focused on primary reading one on one. The other instructional aide is focused on reading and math in later grades.
   - More continuous assessments and we score them together as a team.
   - Individualized help from teacher and instructional aide for any student not reaching at proficiency.
   - Our local board of education added a student to its membership. This allows the board of education to obtain input from students about curriculum issues that directly impact students.
   - The board of education has funded an after-school assistance center coordinator to help match student needs to teachers so students may receive academic assistance on a regular basis.
   - Community support (Everyone Reads initiative) brings lots of people into the school to read with kids.
   - We partnered with the Chick-fil-A character education program, which is carried out by a counselor who teaches a character trait each month, and kids get Chick-fil-A coupons.
   - We are thinking more about job-sharing and consultant-based learning. We have a teacher at home who is teaching the class through a sub.

- The school building is from 1938, and they use every inch of space including under the stairs, gym and in lobby. All adults, including cooks and secretaries, know every kid by name.
- We allocated a 0.5 time guidance counselor, and council is making up 0.5 of a position because it is so important.
- We shortened class periods and created workshops to review and re-teach concepts the second semester of school.
- Buddy Groups – a student selects a teacher and spends 30 minutes once a month with that teacher. This helps develop a personal bond ... hopefully, increasing attendance, which improves assessment.
- STEP (Student/Teacher Enrichment Program) – Students select an interest, and the teacher selects an interest. Those interested in the same program meet 30 minutes and do activities that interest them about fishing, cooking, auto repair and more. This is just another way to get students to come to school. Credit recovery helps students that are failing behind and improves attendance and lowers dropouts.
- Student Leadership Team allows students to have a say in the running of the school, giving them input and a voice.
- Faculty Leadership Team is a core group to help focus on instruction and best practices in the classroom.
- We use the ESS daytime waiver to provide support to students during the day for intensive intervention.
- Every year for summer PD, teachers align curriculum vertically and horizontally, with meetings held regularly for teachers to analyze data and make curriculum decisions throughout the year.
- We have extensive tutoring. Teachers, parents and students are in formal tutoring programs to work with needy students.

Reflection:

What are some ideas that you can use in your school?

Writing a Budget Policy

Consider these guidelines when developing a budget policy and establishing a budget development process.

- Establish a philosophy: All of our decisions are made based on student achievement
- Use data analysis of continuous classroom assessment and standardized test scores to make decisions
- Prioritize needs
- Follow the board-developed policy and timeline for budget development
- Review all funds available for use by the council
- Provide feedback to the district on other sources of funding
- Establish clear roles of school council members, committee, staff and principal
- Decide how to best involve stakeholders and consider stakeholder requests
- Establish a budget-request process
- Follow the district's process for determining Section 7 requests
- Develop or determine the school council process for monitoring and adjusting the budget as needed (MUNIS reports monthly)
- Decide how the school council will communicate decisions to stakeholders and ask teaching teams to report to the council if student needs have changed and they need new or different resources
- Always know how much money there is, and be constantly aware of fund balances in the different areas such as PD, ESS, and textbooks

Look at the sample budget policy on the next page. What are the strengths in the policy? What are the limitations?

Sample SBDM Budget Policy

The _____ School Council shall focus all fiscal decisions on student learning in response to the mission statement of the school, the school's needs assessment and improvement plan, high-quality research and best practices, and the Kentucky state goals.

To achieve these goals, the budget process must be integrated with the school improvement planning process that focuses our school on our mission, including our learning goals, data and community concerns.

Our spending process must empower teachers, create clear records that are available to all stakeholders and allow for flexibility when needed if actual spending differs from projections so that any given year's resources are spent to the greatest advantage for that year's students. The focus of all spending will be student achievement.

Budget Committee Charge

Each spring, after the tentative March 1 allocation, the Budget Committee shall develop a tentative annual budget that provides guidance in the use of the allocated instructional funds for _____ School. The committee shall review the Needs Assessment and take into consideration the overall needs across the school and the individual needs of each teaching team. The committee may survey the teachers to determine school needs as well as individual needs. These needs may include, but are not limited to, the cost of a copier, paper and teaching supplies. The committee will present its tentative budget to the school council during its regularly scheduled April meeting. The school council will establish the final budget after receiving the final allocation. The principal will be responsible for ensuring that expenditures in the final budget categories are correctly coded in MUNIS. The school council will review the budget expenditures monthly.

Textbooks and Other Instructional Materials

As funds are available, the school council shall appoint an ad hoc committee to review and recommend textbooks and instructional materials for _____ School. The committee shall consist of a representation of teachers, parents and, if applicable, students. The teacher representatives shall be teachers that will be directly involved with the materials being purchased. The parent representatives shall be a cross section of parents whose children are in a variety of grades. The committee will consist of at least five members with a maximum of 10 members.

Activity Funds

Activity fund accounts shall be reviewed by the school council monthly. The school council shall designate and budget the use of these funds based on the Accounting Procedures outlined in *Accounting Procedures for Kentucky School Activity Funds,* also known as *Redbook*. The principal shall ensure that the expenditures for these funds are followed and reported to the district accordingly.

Library Media Center

The school council will meet with the media specialist annually during the regularly scheduled March meeting. At that time, the media specialist will present to the school council the needs of the media center. The school council shall set aside funds from the instructional funds to meet the most pressing needs of the media center as presented to the school council.

Staffing

The school council shall, during its regularly scheduled March meeting, discuss the tentative staffing allocation. The school council will draft an outline of the job classification for each allocated position. The discussion must focus on the school's needs and the projected enrollment at each level, including the structure of the primary program, for the upcoming year. The school council will review this outline once it receives the final allocation, before May 1.

Categorical Program Grants

Annually, the school council shall meet with district personnel to discuss needs that may be met through the use of the district categorical money. Categorical money use is at the discretion of the _____ School District. These funds are supplemental and must meet an identified need from data and follow the guidelines established in the grant. These funds include, but are not limited to, Title I Part A, IDEA, Preschool and ESS.

Section 7 Requests

The school council may request, through the _____ Board of Education, additional funds through a Section 7 request. The school council will need to follow the board procedures as to the time and format of the request, including any requirement of additional documents or data.

Strengths:	Limitations:

Budget Advice
School councils need to have monthly reports that show where the money is going in each of their accounts. Schools/districts can do reports in MUNIS; however, this is not required. The school council should not be blindsided by problems later because it did not look at the monthly reports.
School councils should see and review reports from activity funds. Persons responsible for reporting on activity funds should send information to the school councils. This does not include funds raised by school organizations for a specific purpose such as a student council raising funds through a dance for their class trip.
Invite the district finance officer to your school council meeting for a discussion. Have the person in charge of federal funding programs come and talk to the council, too. Recognize district expertise and invite the experts to come and talk. For staffing issues and questions, ask the personnel director and/or the finance officer.
School councils should have school council training, with up-to-date copies of regulations and statutes pertaining to budget. Start the year right with all of the budget information for your school.
School councils should have a final financial report at the end of the year for the next year's school council.
Think about Section 7 funds. Always have something in mind just in case there is additional funding available. Keep a wish list available.
Aim high or dream big – you never know where funds may come from, and you have to be ready to express your dreams to someone.
Interact with teachers and ask them about what they need and want. This is not always done formally, but they are your best resource to know if funds are being used in a way that directly impacts students.
Remember, the whole school council is responsible for the money.
Speak up if you think something is not clear. Ask questions, and know that the answers are there.

Reflection:

Why should our council try to strengthen the budget process at our school to improve student achievement?

Here are three things our council could begin working on based on what I've thought about today:

1)

2)

3)

Frequently Asked Questions Regarding the School Council's Role in Budgeting

Must the school council have a budget policy?

The SBDM statute does not explicitly require a budget policy; however, the statute does require the school council to make budget decisions. It is best practice for the school council to have a budget policy or written procedures to direct its decisions.

Who decides which textbooks are purchased?

The school council is responsible for determining which textbooks, instructional materials, and student support services shall be provided in the school.

How often should school councils review school funds?

School councils should be provided with regular financial reports that reflect amounts budgeted and all expenditures, including any encumbrances.

The school council's review of funds also should include an evaluation of school activity funds. School councils are responsible for school activity funds and should ensure all organizations manage school activity funds according to *Accounting Procedures for Kentucky School Activity Funds guidelines,* also known as *Redbook*.

Must school councils approve every school purchase?

School councils are not required to approve every purchase within the school.

Frequently Asked Questions about Personnel and Staffing Allocations

What is consultation?

Some of the most important decisions that a school council will make or consider relate to issues about personnel. Any personnel decision, outside selecting a principal, must be consulted with the school council. Consultation is a time to seek advice and information. Selection of personnel by the principal is completed after consultation with the school council.

Consultation is a required policy for school councils. This policy should address how and when consultation will take place. Other items include timelines for personnel selection, interview guidelines, a review of applications and a review of references. The consultation policy also must address situations where consultation can occur if a quorum of the school council is unavailable.

What are the March 1 allocations?

School districts, by regulation, are required to provide school councils a tentative allocation of funds for the next budget year by March 1, with a final allocation by May 1, each year. The staffing allocation includes the number of positions the school will be given. These regulatory allocations include all certified and classified positions that are determined by the base funding formula, which includes maximum class size. Additionally, the allocation contains instructional and professional development funds for the school.

What is the maximum class size formula?

The maximum class size formula is set in Kentucky statute. Each school is allocated staff based on the following ratios:

- primary: 24:1
- 4th grade: 28:1
- 5th – 6th grade: 29:1
- 7th – 12th grade: 31:1; however, a teacher cannot have more than 150 pupil hours in a day.
- kindergarten instructional assistants: 24:1 FTE
- one instructional leader (principal)
- library media specialist (may be shared between two or more schools)

Can a school council waive maximum class size?

Any school council can waive the maximum class size once it has received its staffing allocation from the district, which is based on the statutory class size formula. The term in statute, “except for those schools which have implemented school-based decision making,” can be a bit confusing for school councils. The district funds positions; the school council determines the job classification for each of those positions.

Maximum class size is most questioned when it refers to primary grades. Due to Kentucky’s primary program statute, primary grades are considered ungraded. Allocations from a district are based on the premise of an ungraded program. If a school council decides to have a graded program (kindergarten, grade 1, grade 2 and grade 3), then classes may appear to be over class size when in reality they are not.

What can the council decide and not decide about positions in the school?

Once the number of positions is received from the district office, the school council determines the number of persons to be employed in each job classification. The school council should look at its student population changes and needs assessment each year to determine the number of spaces, not persons in the position, needed in each job classification. School councils cannot recommend transfers or dismissals.

If the school council determines that it does not need the number of positions allocated by the district’s staffing-allocation formula, it may ask the district to redistribute those positions. In doing so, the district would distribute 95 percent of the average certified teacher’s salary to the school in lieu of a certified position. The remainder of the money would revert to the district general fund for possible reallocation.

When can school councils interview for staff positions?

The process for interviewing teacher candidates is established in the school council’s consultation policy. The policy may establish a committee for this task or council members may complete the interviews themselves. The school council (or a committee) can begin the interviewing process prior to the end of the 30-day posting. However, applications must be accepted through the 30-day period and a decision cannot be made until the posting has expired.

Do school councils hire teachers?

No, school councils are consulted concerning teacher vacancies. The principal selects the candidate to fill the teacher vacancy and the local central office completes the hiring process.