

Financial Issues: School Budget Plan

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## Prior Lake High School: School Budget Plan

### I. Introduction

Prior Lake High School (PLHS) is part of the larger Prior Lake-Savage Area School District. The high school embraces E-STEM (Environmental education, Science, Technology, Engineering, and Math), where students in grades 9-12 receive instruction focusing on exploring and finding solutions for real-world problems in this digital age (Public School Review, 2019). PLHS also offers students innovative programs that include; MNCAPS (Minnesota Center for Advanced Professional Studies), a professional based learning experience, Project Lead the Way, EcoTeam, and Fab Lab (Small-scale Fabrication Laboratory).

PLHS *mission* is to educate all learners to reach their full potential as contributing and productive members of our ever-changing global community. The high school retains a team of dedicated and professional teachers that provide personalized education to students. Additionally, our instructors customize learning models to adequately prepare and empower students for life.

PLHS *core values* are partnership, innovation, respect, wise stewardship, accountability, and striving for excellence.

PLHS *vision* is to provide students with: a sustainable environment recognized across state and country; challenging, diverse, and personalized learning, a culture of excellence promoting a love of learning and appreciation of arts and activities; a safe and respectful environment; technology enhanced instructions, communication, and administration; innovative and flexible staffing.

PLHS *strategic direction* includes increasing measurable student growth and performance; continuous financial accountability and maximizing use of available resources to provide quality education; integrating technology for instruction and

communication; and engaging parents and community to foster a culture of respect and inclusion (District Business Office, 2018).

As school principal, the following budget plan for Prior Lake High School is based on the school's mission, vision, needs assessment, and educational goals.

## **II. School Demographics**

- PLHS serves 2,566 students enrolled in grades 9-12. Enrollment has increased by 7% during the past 5 school years.
- The student: teacher ratio is 22:1. This is higher than the Minnesota state level of 16:1. Nonetheless, the ratio has decreased from 24:1 in the past 5 school years, while teaching positions have increased by 17% during the same period.
- PLHS diversity score is 0.27 against a state average of 0.34. This score has remained stagnant over 5 school years. White students account for 85%, Asian 6%, Hispanic 4%, Black 4%, Other 1%.
- PLHS graduation rate is 97% against a state-level of 83%.
- The percentage of students achieving proficiency in Math is 73%, which is higher than the state average of 59% (data for 2016-17 school year). Reading and Language Arts proficiency is 73% against a state-level of 61% (data for 2016-17).
- The percentage of students eligible for free lunch is 6% against a state-level of 30%, with 3% eligible for reduced lunch against a state-level of 8%.
- The gender parity is male 48% and female 52% (Public School Review, 2019).

## **III. Steps for Effective and Efficient School Budgeting**

- A. Identifying budgetary allocations and restricted funds – Holding the position of school principal, my first step is to identify revenue sources and analyze the impact on budgetary appropriation. Various school funds have specific appropriations, and expenditures are restricted. These include special education, Title I, and bilingual

- education. The District Business Office provides principals with a detailed brief on budgetary allocations and restricted funds (District Business Office, 2018).
- B. Understanding and planning according to Enrollment Trends – Budgetary allocations are dependent on student enrollment. The Cohort Survival Guide provides school principals with an effective model for evaluating future student populations over a defined number of years. Additionally, this approach enables principals to plan and anticipate average cohort expenditures from year to year.
- C. Conducting a Needs Assessment – This step allows school principals to establish which strategies are effective in improving student performance at a minimal cost. Needs assessment analyzes priority school goals and objectives utilizing a quality evaluation model that involves: external qualitative and quantitative data with best practices, sourced from state and federal reports; internal qualitative and quantitative data, sourced from survey results, school-site, teacher opinions, and educational workshops, accountability criteria, and other benchmarking information.
- D. Inviting input from all stakeholders – Schools, as learning organizations are influenced by various interests and school managers need to consider all input during the budget preparation efforts. Stakeholders include; students, staff, parents, community members, and local business entities. Inclusivity and collaboration among stakeholders enhance accountability and is the basis for measuring educational return on investment.
- E. Planning and prioritizing expenditure – Effective budgeting requires active monitoring and regular evaluation to ensure prioritized expenditures are aligned to the school’s educational goals and objectives.

- F. Building the budget – Inclusivity is the essence of an effective and efficient budgeting process. In this step, the budget team develops an action plan for developing the budget. The final budgetary document must display the following; understanding of the entire budgeting process, a cognitive grasp of available funds and budgetary appropriation, understanding of collaboration, and inclusivity in budgetary decision-making processes.
- G. Making Improvements on Budget – Despite close monitoring and evaluation, the budget may require amendments during its implementation during the fiscal year. Improvements and transfers are inevitable due to unexpected events. An informed understanding of budgetary policies pre-empts incidents of mismanagement.

#### **IV. Prior Lake High School Budget Plan: Student-Based Budgeting**

Money is a critical factor in enabling schools to attain their goals and objectives. School leaders often tie performance to the amount of resources available to operate and manage their schools. Education funding has increased significantly through the years, and there has been as a result of building a relevant system capacity that meets new needs and expectations, particularly in response to changes in the labor market.

Today, school principals are the focus on issues of accountability at both the state and local level. Nonetheless, holding all district schools to the same performance standards is unreasonable when resources are not equitably allocated, and principals are not given the responsibility to use resources according to the specific, unique, and priority needs in their schools.

Prior Lake-Savage Area School District has adopted a funding system commonly referred to as student-based budgeting (SBB), which involves weighted student funding. Schools are allotted money based on student enrollment, individual needs, and school principals are granted more control over how to implement their budgets. In this budgeting

approach, funding also follows students to schools of their choice, and school leaders can effectively use the funds to improve student performance.

This funding strategy and its flexibility have been found to be effective if integrated with a Strategic School Design – school leaders dedicated to student success are empowered to structure available resources to meet needs according to a shared vision (Miles, Ware & Roza, 2003). Under a Strategic School Design, a visionary school principal effects changes that enable and improves collaboration. Data is used for decision making, modeling instructions, and offers students social-emotional support.

SBB combined with Strategic School Design, promotes equity and autonomy; nonetheless, how allotted resources are used at the school-level eventually determines student performance outcomes. Several factors influence the development of an effective SBB-Strategic School Design reform model:

- Leadership – SBB-Strategic School Design is primarily an academic reform initiative, and its two components are intrinsically related to producing successful outcomes. As such, it must be driven by school leadership, while the finance department addresses the technical aspects of budgetary execution. In essence, the academic office – principal – provides the required leadership.

School leaders work closely with school support staff, identifying best practices, with the latter providing additional training on accountability and principles of flexibilities. Allowing academic leaders to drive the initiative from the onset, makes Student-based Budgeting a tool for implementing an effective Strategic School Design, rather than a different approach for allocating school funds (Sorenson, 2010).

- Flexibilities – School leaders need to understand which resources are at their disposal to support Strategic School Design and enable meaningful reforms.

Principals must be granted flexibility to use funds and make choices that produce tangible impacts on related school designs.

School leaders control instructional staff, scheduling, and length of the school day.

Additionally, flexibility ought to be extended for substitute teacher budgets.

Lastly, it is important for academic leaders to provide districts with feedback on resource flexibilities and their impact on improving performance.

- **Process – SBB-Strategic School Design** allows school principals to integrate the approach with strategic school planning before receiving their yearly budget (Public Impact, 2012). This gives principals the opportunity to establish important needs, goals, and resource priorities, including liaising with the business office and instructional supervisors.
- **Collaboration – Under Student-based budgeting, integrated with Strategic School Design**, districts delegate responsibilities to principals and collaborate with administrators to work on solutions that meet the unique needs and goals of their schools. For districts, the traditional approach has been a uniform program implementation across all schools regardless of their distinct needs. The new budgeting and planning model requires a cultural shift in the central office, through embracing collaboration and a new role of advising principals on ways of customizing solutions according to school conditions. The central office staff must have a renewed understanding of the realities faced by school principals, and this requires investment in their professional development.
- **Preparation – This involves focusing on school design first in the absence of resource limitations and constraints.** Moreover, preparation provides districts with insight regarding school principals' intentions prior to defining budgetary rules.

The Strategic School Design process is an opportunity for principals to identify interventions and inform the central office, so the latter can seek external partners or professional development to address any shortfalls.

- Models – Strategic School Design empowers principals; nonetheless, principals need a definitive model with proven success or assessment tools that inform on where to start and subsequent progress.
- Accountability – Student-based budgeting integrated with Strategic School Design encompasses many elements – instruction, technology, staffing – and school principals working closely with supervisors, must develop clear accountability measures to support the process.

#### **V. Needs Assessment and Priority Analysis Using Data**

Needs assessment involves measuring perceived or actual needs in a school by collecting data to highlight existing challenges. Principals and teachers at individual schools are involved in the needs assessment analysis process. The essential data required for needs assessment and priority analysis at Prior Lake High School include:

- Student enrollment data
- Student achievement data
- Anticipated professional development needs
- Anticipated teacher supply and demand
- District and School initiatives

This data enables school leaders to allocate funds for activities that have the highest probability of improving instructions and student achievement. Additionally, needs assessment builds cohesion by aligning objectives, strategies, and professional development, to the desired outcomes.

#### A. Prior Lake High School Needs Assessment

- Student Enrollment – The number of students enrolled at PLHS in grades 9-12 is 2,566. Enrollment increase during the past five years is 7%. Enrollment projections for the next financial year are approximately 36 additional students, which needs to be factored into the upcoming budget. The District allocates funds according to enrollment, and the number is multiplied by per-pupil spending. Enrollment increase translates to hiring additional teachers to maintain current student-teacher ratios. The current student: teacher ratio is 22:1, and this is relatively high as state level is 16:1.
- Student Achievement Data (Table 1 Appendices) – Proficiency data between 2017 and 2018 reveals declining rates in Math and Reading. This declining performance indicates the need for reallocation of additional resources to enhance and support teaching and learning improvements.
- Anticipated Professional Development Needs – Student achievement data is utilized as the basis for identifying professional development needs. Improving performance requires high-quality teachers, and this requires PLHS to devote more time and effort in enhancing current teaching skills through professional development initiatives. During budget planning, the school can consider engaging academic coaches to work with teachers on effective instructional strategies.
- Anticipated Teacher Supply and Demand – Increased enrollment requires hiring more teachers, and this must be factored in the budget. Additional teachers allow the school to reduce or maintain the class size.

- District and School Initiatives – School Districts and individual schools develop initiatives to improve student performance. In particular, effective and efficient use of time is vital in the learning process. An effective district and school initiative is extending instructional time. This can be accomplished by adding extra minutes to each school day and using allocated funds to pay teachers for their additional time. During budget preparation, it is imperative that principals plan ahead and allocate funds towards initiatives that are proven to improve on student performance.

#### B. Prior Lake High School Priority Analysis

Based on the above needs assessment analysis, Prior Lake High Schools' immediate priorities are hiring additional teachers and providing professional development, in that order. With the anticipated number of students increasing by approximately 36, there is a need to add 3 additional teachers as this will also reduce student: teacher ratio. Professional development will improve instructional capacity and competence, with the ripple effect positively improving overall student performance. PLHS graduation rate is 97%; improved instructional delivery can achieve 100% graduation rate.

### **VI. Programs to Be Funded**

High schools are significantly different from elementary and middle schools, with enrollment twice as large as middle schools. PLHS is the seventh-largest high school in the state of Minnesota. Exit exams often shift attention to academic performance as high school's focus on improving their graduation rates. In pursuit of higher graduation rates, school principals favor smaller classes for core subjects and larger classes for non-core subjects (Ramirez, 2012). This preference for core subjects being a priority also extends to the distribution of teachers, with core subjects having a large number of instructors with

the aim of maintaining low-class sizes. To achieve a 100% graduation rate, PLHS needs funding to invest in the following programs initiatives:

- Hiring Additional Teachers – Based on the needs assessment analysis, additional teaching staff is required. Funding is needed to hire a minimum of 3-4 additional teachers to reduce class size and maintain current student to teacher ratio. Ideally, funding in this area should enable PLHS to attain the district average of 16:1.
- Professional Development – Successful educational outcomes are a product of effective and competent teachers, and improving instructional skills and knowledge is the ideal intervention strategy for academic leaders. School principals cite professional development as a desirable approach for aligning instructional delivery to curricula expectations. Nonetheless, finding time for professional development is a challenge for schools, as the academic calendar has its limitations, while resources to support such initiatives are equally limited. The cost-effective approach to improving student graduation rates is investing in enhancing the skills of our current teaching staff. Moreover, teachers will also be able to directly apply their new knowledge in their instructional delivery. Professional development for teachers will involve: opportunities for teachers to learn subject matter content and transfer the same to students; active learning through observing experienced teachers and having interactive discussions; and collective participation among teachers from the same grade or department.
- Extra Resources for Struggling Students – Educational changes prompted by standardized tests is shifting focus to struggling students. PLHS mission is to adequately prepare students for life and our instructors customize learning to

accommodate the diverse needs of our students. Improving our Academic Performance Indicators (API) scores requires additional investments in instructional resources for students with low scores. PLHS intends to institute an after-school tutoring program for students with low or average API scores. The school may utilize existing teaching staff to conduct these programs or opt for external tutors who are familiar with subject matters.

Implementing flex teachers is another possible response to provide additional student support. Flex teachers could report in the afternoon to share instructional responsibilities with regular teachers, and thereby reduce class size during their presence. Flex teachers can also participate in planning academic activities with regular teachers. Additionally, PLHS may employ the services of academic coaches to work with regular teachers on pedagogy half of the day and subsequently work with students that are struggling. High schools have flexible schedules, and these grants our school more opportunities to assist struggling students in each academic day (Travers & Catallo, 2015).

Another approach for helping struggling students is a remedial summer school approach, where we will provide intersession instruction, staffed by our existing teachers. Struggling students will attend these intersession programs to help remediate learning gaps from previous sessions. These intersession programs are different from the common summer school as it helps struggling students in three intervals during the year, effectively keeping students on pace.

- Hiring Additional Support Staff – Principals lack time to provide instructional leadership or even oversee activities that enhance instructions. This is due to

inadequate support staff, such as clerks and secretaries that ease the burden of work for the school principals. School counselors also make a difference, and it is essential we have more to sufficiently address our needs. PLHS intends to have a wellness program to deal with external issues that impact on student performance. The current ratio of counselors to students is about 1:400, with counselors spending a lot of time approving student schedules and other related tasks. The school needs more counselors to effectively deal with emotional and social issues affecting students. Additionally, these support staff can engage students in career and college choice counseling.

- Engaging Parents as a Resource – Parents are an important resource for our school. They provide students with much needed moral support and help hold students accountable to high expectations.

PLHS intends to initiate a volunteer day for parents, whereby the latter can spend a day in school and monitor an academic day. This initiative requires no funding but impacts on the overall school performance.

Provide closing statements regarding programs to be funded.

## **VII. School Budget Plan and Board of Education Approval**

PLHS budget plan optimally aligns resources with the school's mission and strategic directions. The school's ultimate goal is to achieve 100% graduation rate. The proposed budget plan allocates funds according to priority needs and instructional goals, with the intention of improving student performance and ultimately increasing the graduation rate. Our preferred student-based budgeting approach improves on funding equity, transparency, and accountability. Our school budget plan focuses on hiring additional teachers, providing additional professional development, providing supplemental resources for struggling students, hiring additional support staff, and

engaging parents as a resource. PLHS finds student-based budgeting integrated with Strategic School Design to be the most effective approach to meeting the unique needs of each school. Moreover, under Student-based budgeting, School Districts allocate funds according to enrollment, and this ensures equity in each financial year. PLHS proposed school budget addresses education equity and adequacy. Prior Lake High School seeks the support of the Board of Education to pass this budget.

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**Appendices**

**Tables 1. Prior Lake High School Proficiency Rates**

	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Math</b>	73.3% (434)	63.4% (372)	69.0% (314)
<b>Reading</b>	73.1% (483)	63.6% (363)	59.6% (357)
<b>Science</b>	68.1% (399)	68.9% (420)	70.3% (447)

**Table 2. Prior Lake High School Graduation Rates**

<b>Demographic</b>	<b>Year</b>	<b>Graduated Count</b>	<b>Graduated %</b>
<b>All Students</b>	2014	557	93.8%
<b>All Students</b>	2015	498	94.7%
<b>All Students</b>	2016	576	95.5%
<b>All Students</b>	2017	547	97.2%
<b>All Students</b>	2018	587	96.7%