Training Principals for Budgeting at the school level

Presented by
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Initially, most schools make only modest or changes with their budgeting flexibility.

Changes that do take place, do so on the margin.
Seven steps for principals in building their budgets

1. Know how your school compares on performance and spending
2. Understand the larger financial context
3. Understand what stuff costs and compute the tradeoffs
4. Recognize the Opportunity: Schools can tailor resources to the unique school context
5. Look at your student outcomes and identify goals for students outcomes.
6. Look for incremental opportunities and consider tradeoffs
7. Talk to staff and community in terms of costs and outcomes
1. Know how your school compares on performance and spending

Account for student mix on the spending and outcomes sides. A school’s spending ought to be measured against the district’s average dollar allocation for each student type. Similarly, outcomes should recognize whether schools are beating or lagging the averages for their mix of students.
2. Understand the larger financial context

- The system will operate with highly constrained revenues going forward.
- Changes will come from REALLOCATION (vs. new monies).
- The system will operate with fewer staff in the future.
3. Understand what stuff costs in your building and compute tradeoffs

- Identify highest and lowest paid staff and examine workloads
- Consider costs of all functions in per pupil terms
- Are some services costing too much?
- Consider tradeoffs. What else could this money buy?
Spending per non-core course is higher than for a core course

<table>
<thead>
<tr>
<th></th>
<th>Core</th>
<th>Non-Core</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Salary</td>
<td>$63,633</td>
<td>$68,558</td>
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<tr>
<td>Median Salary</td>
<td>$54,435</td>
<td>$77,800</td>
</tr>
<tr>
<td>Class Size</td>
<td>19</td>
<td>18</td>
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</table>

Analysis by author on a northeast district
Inside high schools, allocation reinforces achievement gaps

<table>
<thead>
<tr>
<th>Course Level</th>
<th>Per-Pupil Course Costs</th>
<th>Salary</th>
<th>Class Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remedial</td>
<td>$713</td>
<td>$56,597</td>
<td>19</td>
</tr>
<tr>
<td>Regular</td>
<td>$739</td>
<td>$61,940</td>
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<tr>
<td>International Baccalaureate</td>
<td>$1,145</td>
<td>$67,396</td>
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<tr>
<td>Honors</td>
<td>$1,300</td>
<td>$70,283</td>
<td>14</td>
</tr>
<tr>
<td>Advanced Placement</td>
<td>$1,660</td>
<td>$73,253</td>
<td>14</td>
</tr>
</tbody>
</table>

Analysis by author on a northeast district
Computing per player costs clarifies relative costs of athletics

- Cheerleading: $1,348
- Wrestling: $847
- Football: $829
- Basketball: $678
- Track: $390
- Soccer: $340
- Cross Country: $239
- Golf: $217
Cost Per Course Per Pupil: Types of Electives

- Drama: $238
- Photography: $866
- PE/Health: $377
- Music: $597
- Job Like Courses: $590
- Art: $420
What do you prefer? (survey by Goldhaber & DeArmond)

$5K$ bonus or $2$ fewer students in each class you teach
83%

$5K$ bonus or $1/5$ of an aide
88%

$5K$ bonus or $3.5$ hours more prep time per week
69%
Fundamental Tradeoff:

- # Adults
- Total Comp
4. Recognize the Opportunity: Schools can tailor resources to the unique school context

School context includes:

- **Needs of students**
  

- **Strengths/weaknesses of staff**
  
  E.g. A stellar 6th grade math teacher or high school chemistry teacher. 2nd grade teacher excels at reading instruction. Renown choir teacher. Weak 4th grade team.

- **Community**
  
5. Look at your student outcomes and identify goals for students outcomes

• Goals are defined in terms of student outcomes not strategies.
  E.g. “Improved 8th grade math performance” *not* “Math coaches help teachers”.

• Recognize that there may be many ways to get those outcomes.
  E.g. More time on math, longer year, more kids taught by the best math teacher, computer lab time spent on math, etc.
6. Look for incremental opportunities and consider tradeoffs.

- Take advantage of staff attrition to rethink your model.
- Use stipends to leverage your most effective staff toward your desired outcomes. (Compensate those willing to expand load, or add time)
- Use stipends to reduce the need for some staff (and thus free up funds overall).
- Raise your enrollment when possible. Bringing in new students increases your revenues.
Tradeoffs: Effect on per pupil spending for different reform options

Cost of tradeoffs can be used to mix and match options to offset spending increases.

E.g. Selective increases in teacher pay can be accompanied by selective increases in workload (class size) to offset costs.
Do the math – An exercise to familiarize principals with costs and tradeoffs.

1. A math software provider will charge $150 per middle school student and enable a 1:40 teacher student ratio in math (and improved outcomes). Would this be financially viable for your school?

2. If teachers are offered $50 for each unused sick day, and use of subs decreased by an average of 3 days per teacher, how much money would the school net per year?

3. If a high school offered credit to 20% of its students for one arts/PE credit each (and reduced arts/PE staffing accordingly) how much money per pupil would be freed up for other uses?

4. If a digital provider offered AP courses at $350 per student, and a high school converted all its AP course delivery to the provider, what would be the financial effect?

5. Could a school system save money by offering parents $500 per year to get their own kids to school?

6. How much would it cost to open elementary school two weeks earlier for half days for 25% of the students (using only 25% of the core teachers and no specialists). Could reducing school staff by one pay for this?

7. Could your school save money by paying some teachers $2000 to take on an extra student?

8. High schoolers are given a laptop over the summer that can only remain activated by achieving weekly math progress (for a school cost of $120 per student). To pay for the change, math classes would have to grow by how many students?

9. A new provider can do speech therapy at half the per student cost. How much money would this free up for your school?

10. The district is offering $1500 per teacher for your school to take over professional development (including hiring subs, paying for teachers, contract cost of providers, etc.). Would you take the deal?

11. If your school’s librarian was leaving, and you wanted to use those funds to pay your elementary classroom teachers to pick up extra library duties, how much money would you have to offer them each?

12. When a search for a STEM teacher turned up short in a comprehensive high school, three top math/science teachers offered to teach 2 core math/science courses each over the summer, so that any willing students could take courses from strong math/science teachers during the summer (in order to take a reduced load during the school year). How much should the district pay them each for this additional workload (assuming the district does indeed save on that extra STEM FTE)?
Big Design Ideas..
Likely for later years or school restarts.

- Rocketship
- KIPP LA
- Carpe Diem
## Rocketship: 3 teachers teach 4 classes

<table>
<thead>
<tr>
<th>Classroom #1</th>
<th>Classroom #2</th>
<th>Classroom #3</th>
<th>Classroom #4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humanities teacher #1</td>
<td>Math/sci teacher</td>
<td>Humanities teacher #2</td>
<td>Tech lab</td>
</tr>
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<td>Tech lab</td>
<td></td>
<td></td>
<td>Humanities teacher #2</td>
</tr>
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</table>
### KIPP LA

<table>
<thead>
<tr>
<th>Pod 1</th>
<th>Pod 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Howard</strong></td>
<td><strong>Pepperdine</strong></td>
</tr>
<tr>
<td>Lead Teacher</td>
<td>Lead Teacher</td>
</tr>
<tr>
<td>Apprentice Teacher</td>
<td>Apprentice Teacher</td>
</tr>
<tr>
<td>Instructional Assistant</td>
<td>Instructional Assistant</td>
</tr>
<tr>
<td>Instructional Technology Assistant</td>
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</tbody>
</table>

**Subjects**

- **Science & Writing**
- **Math**
- **Reading**
Carpe Diem individual rotation model
7. Talk to your staff and community in terms of costs and outcomes.

- Set the context by letting community know where your school is on the productivity scatter.
  
  E.g. “We’re already an expensive school and we need to work on getting our outcomes up without new funds.”

- Remind staff positions of their cost and tradeoffs in context of desired student outcomes.
  
  E.g. “With benefits the librarian costs $105,000 and we need to be sure those funds are helping drive up reading scores.”

- Communicate budget choices to community, citing costs, tradeoffs, and rationale.
  
  E.g. “We’ve merged the under-enrolled ceramics electives as ceramics was costing $900 per pupil. The savings is allowing us to run a two week math boot camp next summer for all interested students.”
EDUNOMICS LAB
The Study of Education Finance

Contact Marguerite Roza
MR1170@georgetown.edu

Additional resources
Edunomicslab.org