

Integration Revenue Budget Guide FY2014

Integration Revenue must be used for students to have: 1) increased and sustained interracial contacts; and, 2) improved educational opportunities designed to close the achievement gap (Minn. Stat. § 124D.86, Subd. 1).

This guide is intended to be used by district personnel when developing integration budgets. The areas listed below represent a framework within which districts must develop their respective budgets. This guide is not intended to be an exhaustive description of allowable expenses. Rather, it establishes a framework for creating a budget aligned with the Integration Revenue Statute and Rule.

Integration budgets must directly support the goals of a district's current board-approved integration plan on file at the Minnesota Department of Education (MDE). Integration budgets need to provide sufficient narrative detail to make evident a clear connection between district integration goals, proposed expenditures, and the goals of the Integration Revenue Program as listed above.

Without substantial evidence that proposed expenditures directly support a district's integration goals and the statutory goals, a budget cannot be approved by MDE.

MDE encourages districts to refer to the *Desegregation Guidelines* document for more information. [Read the Desegregation Guidelines on the MDE website.](#)

BUDGET NARRATIVE

Integration budgets need to provide sufficient narrative detail to make evident a clear connection between district integration goals, proposed expenditures, and the goals of the Integration Revenue Program.

Because it is unlikely that a single line item description of a proposed expenditure will provide enough detail to make evident the connection between expenditures and integration goals, districts are asked to submit a budget narrative explaining how proposed line items are linked to the district's integration plan and the statutory goals. The narrative may be submitted as additional pages within the FY2014 budget worksheet or as a separate document.

Districts are strongly encouraged to consider both the *integrative value* and the *academic value* of proposed expenditures in order to ensure alignment with the two statutory integration goals. This consideration provides the basis for approving individual budget line items.

BUDGET RATIOS

DIRECT STUDENT VALUE

At least 60 percent of a district's proposed budget must fund components of student programs or initiatives, excluding the indirect costs of implementing those programs. Examples include materials or supplies that students use while participating in the program, cost of the instruction

provided to students (including instructional staff salary and benefits), admission fees for students, transportation of students, consultant fees for presentations made to students, etc.

Please also see sections below on intra- and inter-district Participation Ratios.

PROFESSIONAL DEVELOPMENT

No more than 30 percent of the district's total proposed budget may be directed toward professional development and special expenses such as travel, food, event space rental, or consultants. MDE recommends that Professional Development addresses staff development for teachers in cultural competency.

As with participation ratios for student programs, all training opportunities must reflect a concerted effort to have at least a 70/30 mix with the isolated school district and adjoining district. For districts with a racially identifiable school, training opportunities must reflect a concerted effort to have at least a 70/30 mix with the identified school and other schools that serve the same grade levels. Participation levels should be comprised of at least one-third participation from the isolated district or school.

Furthermore, professional development expenses and other special expenses in this budget proposal related to travel, food, event space rental or consultants should represent no more than 30 percent of the school district's total budget from all sources in these areas. For example, General Education and other funds would pay for at least 70 percent of the district's overall professional development.

ADMINISTRATIVE AND GENERAL SUPPORT COSTS

No more than 10 percent of the budget may be spent on costs such as indirect supervision, program management, support staff, rent of non-district space, photocopiers, and general supplies. This type of cost is incurred in order to provide support for initiatives that have direct student value and for professional development (as described above), and should be in amounts proportionate to those expenses. Expenditures must clearly support implementation of the district's proposed direct student contact and professional development initiatives or they will not be approved. Other acceptable administrative and general support costs include governing boards, percentage of program administrator time, and fiscal agent fees.

COMMUNITY PLANNING

A budget should reflect items in a desegregation plan that was developed in a formal community planning process where the isolated school district or racially identifiable school sites were represented by community members who are not district employees and were at least part of the voting membership of the planning body as referenced in Minnesota Rule 3535.0170 Subpart 3.

EXISTING OBLIGATIONS OF DISTRICT

The proposed integration budget must benefit students in ways that do not supplant existing obligations of the district. For example, funding inclusive education, multicultural curriculum, or diversity training with integration revenue can possibly be seen as supplanting a separate legal obligation under the Minnesota Inclusive Education Rule (3500.0550).

This rule is not the same legal obligation as the Minnesota Desegregation Rule, nor do the two rules serve identical functions. All districts in Minnesota have a legal obligation under the Inclusive Education Rule to provide a learning environment and a curriculum inclusive of gender, diverse cultures and people with disabilities (see pg. 9 of *Desegregation Guidelines* for details).

Furthermore, there are many quality programs designed to improve academic achievement. The academic value of an initiative does not justify use of integration revenue. Integration revenue is

intended for those programs or initiatives which directly support the two goals of increased and sustained interracial contact between the racially isolated district (and/or racially identifiable site) and adjoining districts (or school sites) and which also provide educational opportunities designed to close the achievement gap.

INTER-DISTRICT PARTICIPATION RATIOS

For districts with inter-district integration plans, the budget must reflect support for interaction between participants from the racially isolated district and adjoining or voluntary districts within the multi-district collaborative.

Overall participation in the activities described in the budget proposal should reflect significant collaboration between the racially isolated district and the adjoining or voluntary districts. Participation levels for proposed programs or initiatives should be comprised of at least one-third participation from the racially isolated district.

INTRA-DISTRICT PARTICIPATION RATIOS

(For districts with school sites that have been identified by MDE as Racially Identifiable)

For districts with an intra-district plan *only*, the budget must reflect significant interaction between participants from the racially identifiable site(s) and sites within the same district or collaborative efforts with other districts.

Overall participation in the activities described in the budget proposal should show significant collaboration between an identified school site and other sites. Participation levels should be comprised of at least one-third participation from the racially identifiable school.

Note: the integration budget worksheet includes tabbed pages listed as "Identifiable School Goal 1," "Identifiable School Goal 2," etc. This part of the worksheet is to be used only by districts with an intra-district plan.

OTHER BUDGET COMPONENTS AND PROCESSES

ACCOUNTING CODES

Line item expenditures must be listed by UFARS accounting codes. Expenditures cannot be approved unless a specific dollar amount and UFARS code is listed for each line item.

ACTUAL EXPENDITURES REPORT

Districts are asked to submit an end-of-year expenditure report using the shaded column on the far right side of the district's approved integration budget worksheet to list all actual expenditures by UFARS code.

Any expenditure not included in a district's MDE-approved budget should be highlighted in this report and explained in the *Notes and Comments* section of that budget worksheet page. Changes over \$3,000 require pre-approval from MDE prior to the end of the fiscal year for which the budget was approved (refer to the Budget Amendment guidelines below).

Actual expenditure reports must be submitted electronically to mde.integration@state.mn.us. The FY2014 report will be due December 1, 2014.

BUDGET AMENDMENT

Amendments to integration budgets must fall within the scope of a district's MDE-approved budget. The amendment process is not an opportunity to add new programs or significantly change the nature of integration work outlined in your budget. It is intended to accommodate

unanticipated changes in the level of funding or participation rates. Budget items cannot be approved unless they are part of a district's current integration plan. Amendments must be made to an MDE-approved budget by June 30 of the fiscal year for which it was approved.

The process for amending an MDE-approved budget is explained in the *Desegregation Guidelines* document on MDE's Integration webpage. Changes must align with the guidelines detailed in the most current *MDE Integration Budget Guide*, including alignment with statutory goals, level of participation of other districts, and 60/30/10 ratios explained above. MDE will review the proposed changes and rationale, and provide written approval or denial.

Note: corrections to UFARS codes only do not require an amendment.

EVALUATION

Evaluation of progress toward integration goals should be part of a district's integration plan. By June 30 of the subsequent fiscal year, each district shall report to the commissioner in writing about the extent to which the integration goals identified in the plan were met. Related evaluation costs may be included in the district's administrative costs.

PERSONNEL SALARY AND BENEFITS

Personnel-related expenses must be clearly linked to a specific initiative and support a specific integration plan goal. Because expenditures are listed using UFARS codes, districts must use separate line items for different types of benefits linked to a single position.

PRE-K AND ADULT BASIC EDUCATION EXPENDITURES

Eligibility for integration revenue is determined by K-12 public school student counts and Pre-K Special Education student counts. If a district qualifies to receive integration revenue, it is able to use integration funds to support only those students included in the eligibility calculations. Current eligibility calculations for integration revenue preclude use of the funds for Pre-K or Adult Basic Education initiatives.

TECHNOLOGY

MDE encourages districts to utilize existing district technology resources to support integration programming if needed. However, use of integration revenue for technology expenditures may be considered if a district addresses the following factors:

- 1) The level of the proposed expenditure is at a level appropriate for and is limited to support of specific programs or initiatives included in district's board approved integration plan,
- 2) Proposed use of integration revenue for technology does not supplant a district's responsibility to purchase technology for students using general education revenue, but supplements a district's technology budget and is specific to programs included in the district's integration plan,
- 3) Requests for technology must be accompanied by the total budget being appropriated for technology within a district and indicate what part is to be funded with integration revenue and what is to be funded by other revenue (Minn. Stat. § 124D.86 Subd. 1a (4)),
- 4) The proposed expenditure(s) shall align with MDE's current budget guidelines.

Districts should not anticipate making on-going purchases of technology with integration revenue, but utilize existing district technology beyond the initial purchase required to implement the integration program.

OTHER RESOURCES

Again, MDE strongly encourages districts to refer to MDE's *Desegregation Guidelines* document. [Read the Desegregation Guidelines on the MDE website.](#)