



School Finance 101

Central Services Building

November 28 , 2017 at 6 p.m.

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School District Funds



- Fund 01 General
- Fund 02 Food Service
- Fund 04 Community Education
- Fund 06 Building Construction
- Fund 07 Debt Service
- Fund 08 Trust
- Fund 09 Agency
- Fund 20 Internal Service
- Fund 45 OPEB Trust
- Fund 47 OPEB Debt Service



Main Funds for District Operations

Fund 01 – General Fund

Day to day operations of a school district:

- Salaries
- Benefits
- Supplies

This would be equivalent to your utilities, TV, grocery bills



Fund 01 – Capital and Long Term Facility Maint.

Structural or longer term components of the school district

This would be equivalent to roof repair, plumbing fix, new furniture, etc.

Fund Balance vs. Cash Flow



Revenue Sources

Where school districts get their money

- **Federal Aid (Income and Capital Gains Tax)**

- Title Programming
- Special Education
- National School Lunch Program

- **State Aid (Income and Sales Tax)**

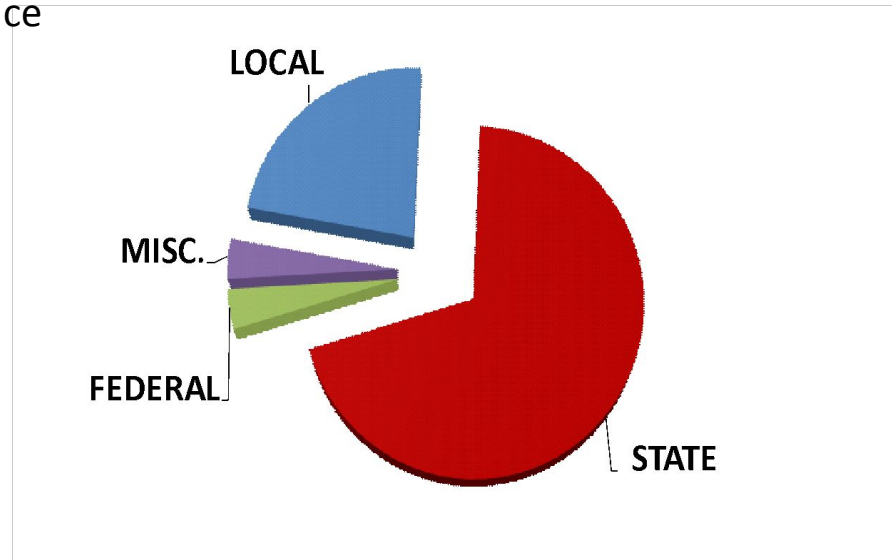
- General Education Formula Allowance
- Categorical Revenue
- Equalization

- **Local Levy**

- Voter Approved
- Non-Voter Approved

- **Miscellaneous Local Revenue**

- Fees



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Pupil Accounting

ADMs

Average Daily Membership
An average count of pupils in the classroom

WADMs

Weighted Average Daily Membership
ADMs weighted by grade specific factors

Grades K-6 = 1.00

Grades 7-12 = 1.20

Other

Some formulas use other pupil measurements such as compensatory pupil units, English Learner (LEP) pupil units, or extended time pupil units



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One Student Equals



Basic (<i>General Education Formula Allowance</i>)	\$ 6,188.00
Declining Enrollment	41.82
Gifted and Talented	13.00
Extended Time	22.50
Compensatory	84.55
English Learner (LEP)	15.03
Transportation Sparsity	44.53
Equity	94.90
Transition	3.07
Operating Capital	227.35
Referendum	1,912.70
Alternative Attendance Adjustment	<u>49.71</u>

\$ 8,697.16



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General Education Formula Allowance

2017-18 amount

=

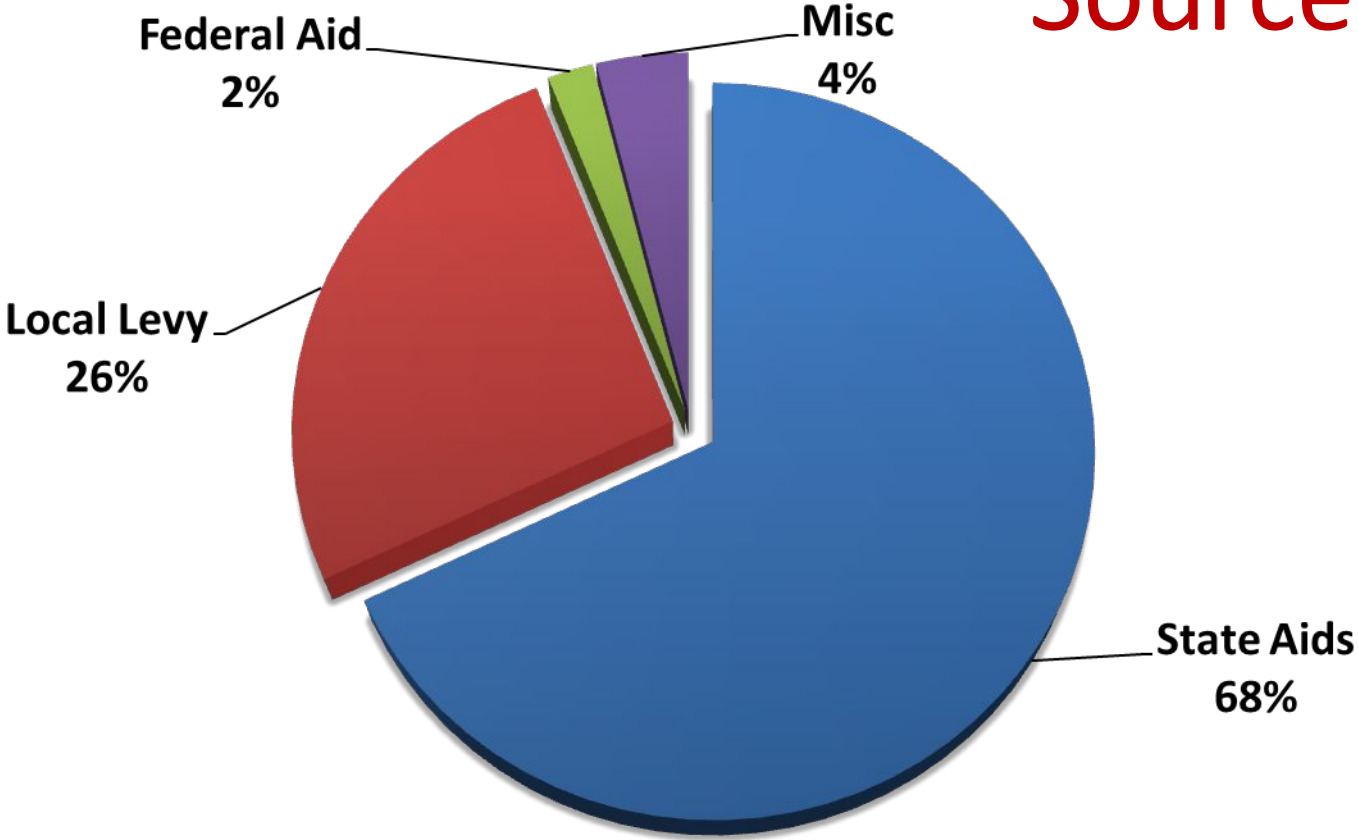
\$6,188 x Adjusted Pupil Units



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Revenue by Source



Where Revenue Comes From



\$1 Breakdown

- **\$0.68**
state aid and credits
- **\$0.26**
property taxes
- **\$0.04**
other local revenue
- **\$0.02**
federal aid



District Comparison

School Portion of Property Taxes Payable in 2017 on a \$250,000 Homestead Residential Property



Categories of Levy

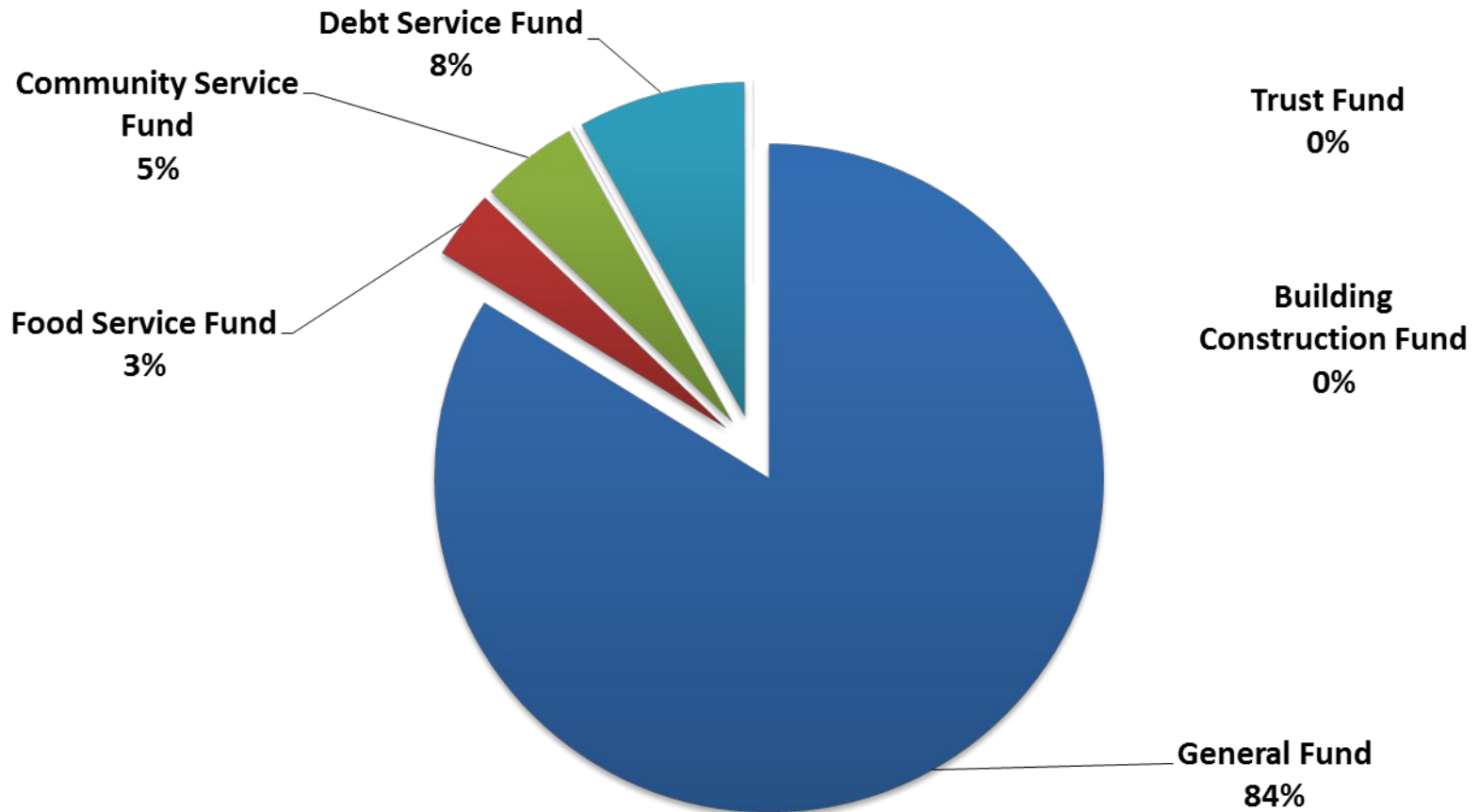
Voter Approved

- Fund 01
 - Operating
- Fund 07
 - Building Bonds

Non-Voter Approved

- Fund 01
 - Equity
 - Career and Technical
 - Reemployment
 - Safe Schools
 - Achievement and Integration
 - Abatements
 - Local Option Revenue
 - Long Term Facility Maintenance
 - Operating Capital
 - Building Lease

Revenue By Fund



Expenditures – Program Categories

- **Administration**
 - General administration, instructional administration and school site administration for the school district
- **District Support Services**
 - Administrative support including HR, Business office and Technology Services
- **Elementary and Secondary Regular Instruction**
 - Activities dealing directly with the teaching of pupils, the interaction between teachers and pupils in the classroom and co-curricular activities at the kindergarten, elementary and secondary levels
- **Career and Technical Education Instruction**
 - Courses and activities which develop knowledge, skills, attitudes and behavioral characteristics for students seeking career exploration and employability
- **Special Education Instruction**
 - Learning experiences for pupils who have been identified as requiring educational programs differentiated from those provided for pupils in regular or vocational instruction



Expenditures – Program Categories

- **Community Education and Services**
 - Programs, activities, and events beyond the scope of regular K-12 schooling
- **Instructional Support Services**
 - Activities for assisting the instructional staff with the content and process of providing learning experiences for pupils K-12. Examples: library, curriculum, staff development
- **Pupil Support Services**
 - All services provided to pupils which do not qualify as instructional services. Examples: health, psychology, counseling, transportation
- **Sites, Buildings and Equipment**
 - Activities related to the acquisition, operation, maintenance, repair, and remodeling of all physical plant, facilities and grounds of the school district.
- **Fiscal and Other Fixed Costs Programs**
 - Fiscal and fixed cost activities that are not recorded elsewhere



Where Does the Money Go

based on program codes



\$1 Breakdown

- **\$0.45** Regular and Vocational Education
- **\$0.16** Special Education
- **\$0.15** Operations and Maintenance
- **\$0.07** Transportation
- **\$0.07** Instructional Support Services
- **\$0.03** Pupil Support Services
- **\$0.03** District Support Services
- **\$0.03** District and School Administration
- **\$0.01** Fiscal/Other Fixed Costs



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Expenditures - Object Categories



100s	Salaries and Wages
200s	Employee Benefits
300s	Purchased Services
400s	Supplies and Materials
500s	Equipment and Capital
700s	Debt Service
800s	Other Expenditures
900s	Other Financing Uses



Where Does the Money Go

based on object codes



\$1 Breakdown

- **\$0.52** for salaries
- **\$0.22** for benefits
- **\$0.16** for purchased services
- **\$0.01** for other expenditures
- **\$0.06** for capital expenditures
- **\$0.03** for supplies and materials



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Budget Breakdown

Salaries + Benefits = 74% of general fund

- State Requirements (restricted revenues)
= 15 percent to 17 percent

- Usually leaves less than 11 percent of a year budget as discretionary



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Timelines

Three accounting years at a time:

- Auditing Fiscal Year 2016-17
- Operating Fiscal Year 2017-18
- Budgeting Fiscal Year 2018-19

June 30th budget deadline

(Lack of lead time with Legislature)



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Informational Websites

MN Department of Education

[*www.education.state.mn.us*](http://www.education.state.mn.us)

MN School Boards Association

[*www.mnmsba.org*](http://www.mnmsba.org)

MN Assoc. of School Business Officials

[*www.mnasbo.org*](http://www.mnasbo.org)

MN Assoc. of School Administrators

[*www.mnasa.org*](http://www.mnasa.org)

MN Legislature

[*www.leg.state.mn.us*](http://www.leg.state.mn.us)

Assoc. of Metropolitan School Districts

[*www.amsd.org*](http://www.amsd.org)

Schools for Equity in Education

[*www.schoolsforequity.org*](http://www.schoolsforequity.org)

MN Rural Education Association

[*www.mnrea.org*](http://www.mnrea.org)



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Questions?
