

# **ABC'S of School District Expenses – Bemidji ISD #31**

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**FUND ACCOUNTING** – Bemidji's total budgeted operational fund expenses for FY 2018-19 of \$73,012,709 are broken into General Fund \$67,256,109 Food Service Fund \$3,308,721 and Community Service Fund \$2,375,879. We also have budget for New Construction \$12,000,000, Debt Service at \$4,786,238 and OPEB (Post Employment Benefits) Debt Service at \$446,536.

**FUND BALANCE** – School Districts need money in the bank to meet cash flow needs, to provide a rainy day fund and for planning larger projects. The target fund balance for the Bemidji School District is set by Board policy at 10% of expenses. Put into perspective, this amounts to roughly one month's worth of operating expenses. Therefore, if anticipated cash flow is delayed for more than one month for any reason, the school district may need to borrow funds to cover current operations.

**STAFFING ALLOCATIONS** – The number of teachers at each grade level is driven by the number of students in that grade. Bemidji incorporates an educational strategy that places more staff in the younger grades thereby lowering class sizes in the belief that a better overall education will be achieved.

**SUPPLIES AND EQUIPMENT** – Allocations of supply and equipment money are made on a per pupil basis by location with slightly larger amounts at higher grade levels reflecting the higher equipment costs of science and industrial technology programs.

**TECHNOLOGY EXPENSES** – Bemidji has a district wide Technology Plan which incorporates per pupil allocations with across the board goals and uniform hardware and software systems to move in the desired directions.

**MARKET FACTORS** – Certain expenses are driven by market factors our costs are a reflection of the quantities consumed. These expenses include electricity, heat, property and casualty insurance and workers compensation.

**SPECIALTY STAFFING** – Some areas of expense are driven by mandates from outside the district such as state or federal government. Staffing levels in these areas are generally determined on an as needed basis. Often there is a dedicated funding mechanism which allows for additional expenditures relating to a specific need. These funds are usually restricted and cannot be spent elsewhere.

**GRANTS** – Bemidji School District has been very successful in applying for and winning grants at state, federal and private foundation levels. Typically a grant award will carry a specific set of criteria on which the money can be spent.

**SPENDING COMPARISON** – The Minnesota Department of Education publishes an annual report called School District Profiles. This report indicates that we spend below the state average on administration, vocational instruction and pupil support services. The report also indicates we spend above the state average in special education, transportation and maintenance.