

Securing Our Financial Future



BEMIDJI

AREA SCHOOLS

INDEPENDENT SCHOOL DISTRICT 31

Thank You for Supporting ISD 31 Teaching & Learning



Students, Teachers, Parents and Our Community made this successful!

Building on Our Successes



Success

BHS named one of the nation's best high schools by US News & World Report.



Success

Bemidji High School Career Academies.



Success

Award-winning show choir and music programs.



Success

Nationally-competitive academic achievement scores



Success

Numerous state championships in sports.



Success

Gene Dillon Elementary School with inclusive playground and STEAM programming.

Building on Our Successes



Success

Gold Award of Distinction for healthier school meal programs - serving over 1 million meals every year.



Success

Robust fine arts programs



Success

Award-winning robotics programs.



Success

State of the art high school and performing arts center.



Success

Community education, early childhood, and life-long enrichment.



Success

Comprehensive K-12 educational programming

Our Most Important Audience: YOU!



“As a parent with school-aged kids, thank you for all YOU and your school teams are doing!”

- District Parent –



“I am thankful for all of the awesome programs the school district offers.

- District Student



“Thank you for what you are doing to make our school buildings safe!”

- District Parent –



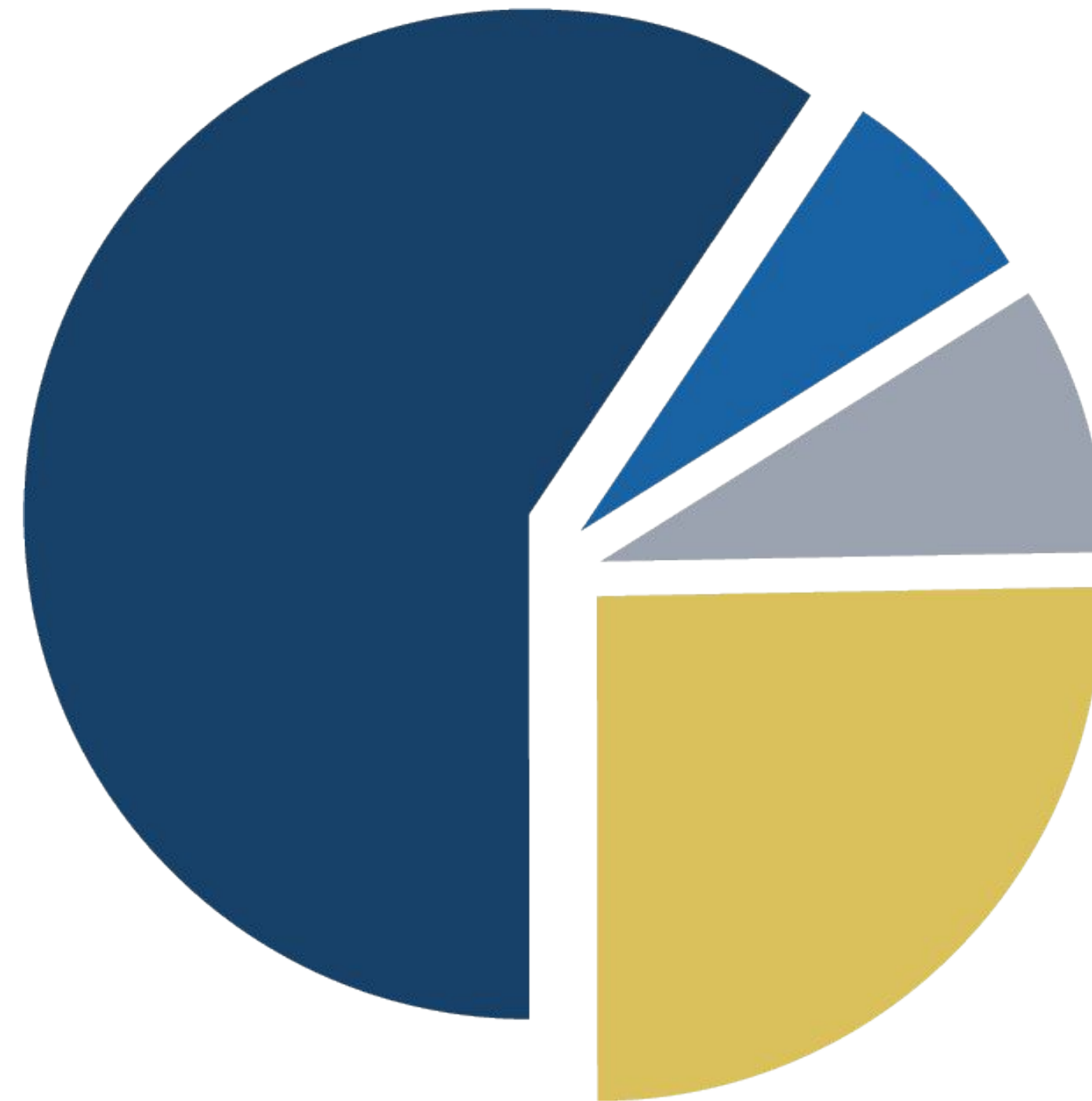
“As a senior, I really appreciate all that the district has done to make sure my last year has been special. The graduation ceremony was amazing!”

- District Student

How Schools are Funded



More than half
is state aid for general
education expenses.

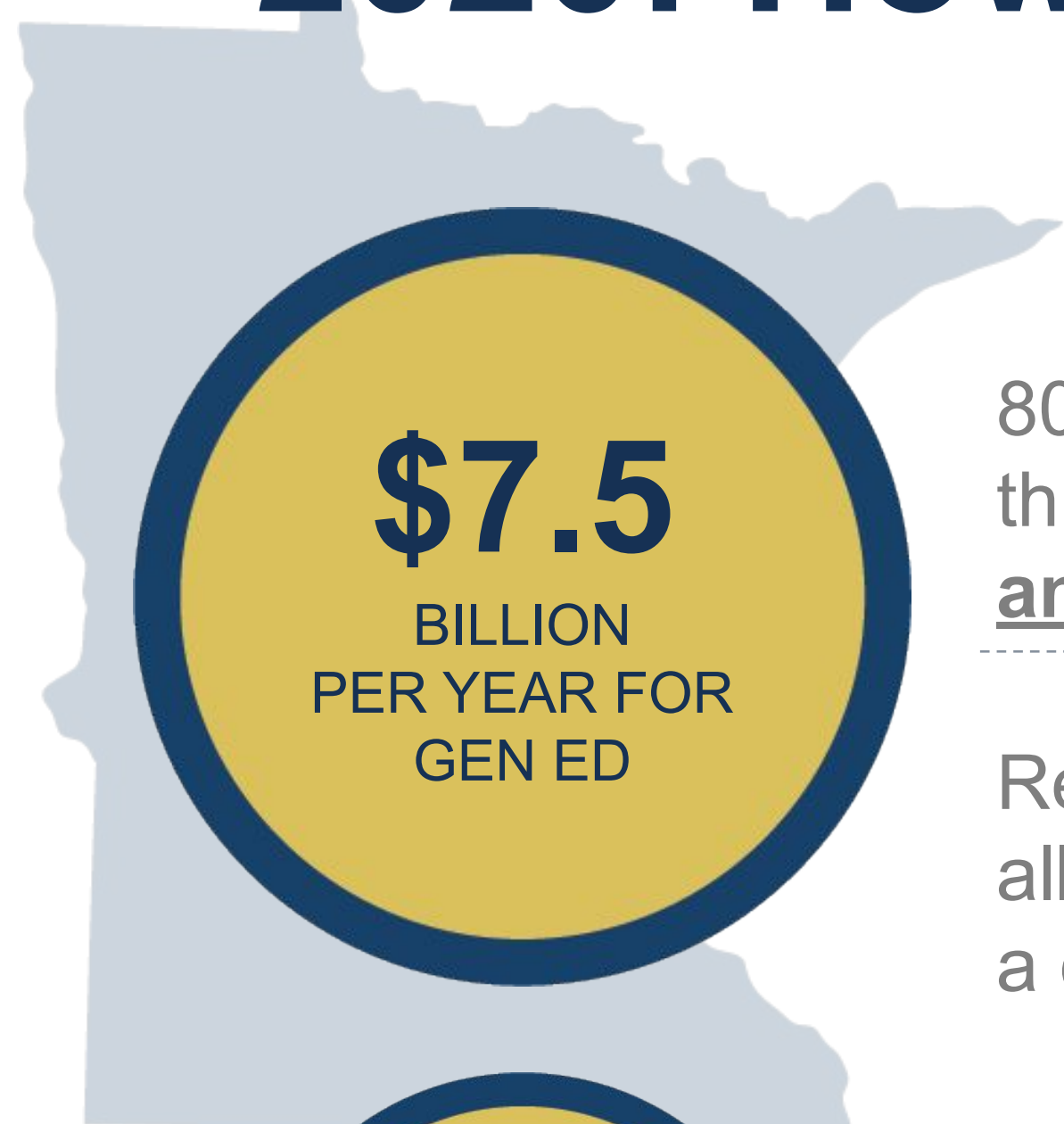


5-6%
FEDERAL FUNDS

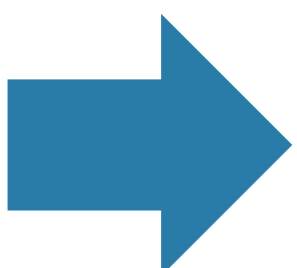
12-13%
LOCAL FUNDS

THE REST
STATE AID FOR
REQUIRED PURPOSES

2020: How the State Supports Education



80% of State General Education Revenue is through the per pupil formula (\$6,438 in 19-20 and 6,567 in 20-21) [\$129.00 increase).

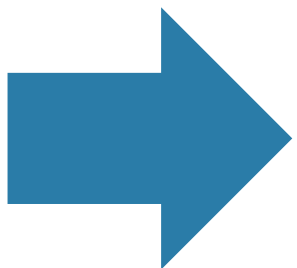


BASIC FORMULA
X
NO OF WEIGHTED
PUPILS



**Local
District's
Share**

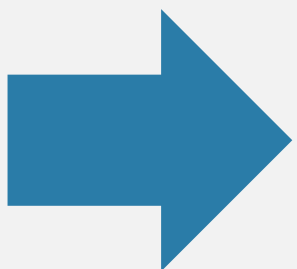
Remainder of General Education Revenue allocated through over a dozen special aids



- Is the district eligible?
- How many students qualify?
- How much per student?



Restricted dollars, primarily special ed, early ed and excellence programs



Required programs, but often the funding provided is not enough

Per Pupil Formula: Recent History



2008	2.0%
2009	1.0%
2010	0.0%
2011	0.0%
2012	1.0%
2013	1.0%
2014	1.5%



2015	2.0%
2016	2.0%
2017	2.0%
2018	2.0%
2019	2.0%
2020	2.0%
2021	2.0%

*The last time it increased by more than 2% was **2007**.*

When adjusted for inflation, pupil weighting and new state requirements, state funding has DECLINED over 14 years.

How Bemidji Uses This Money



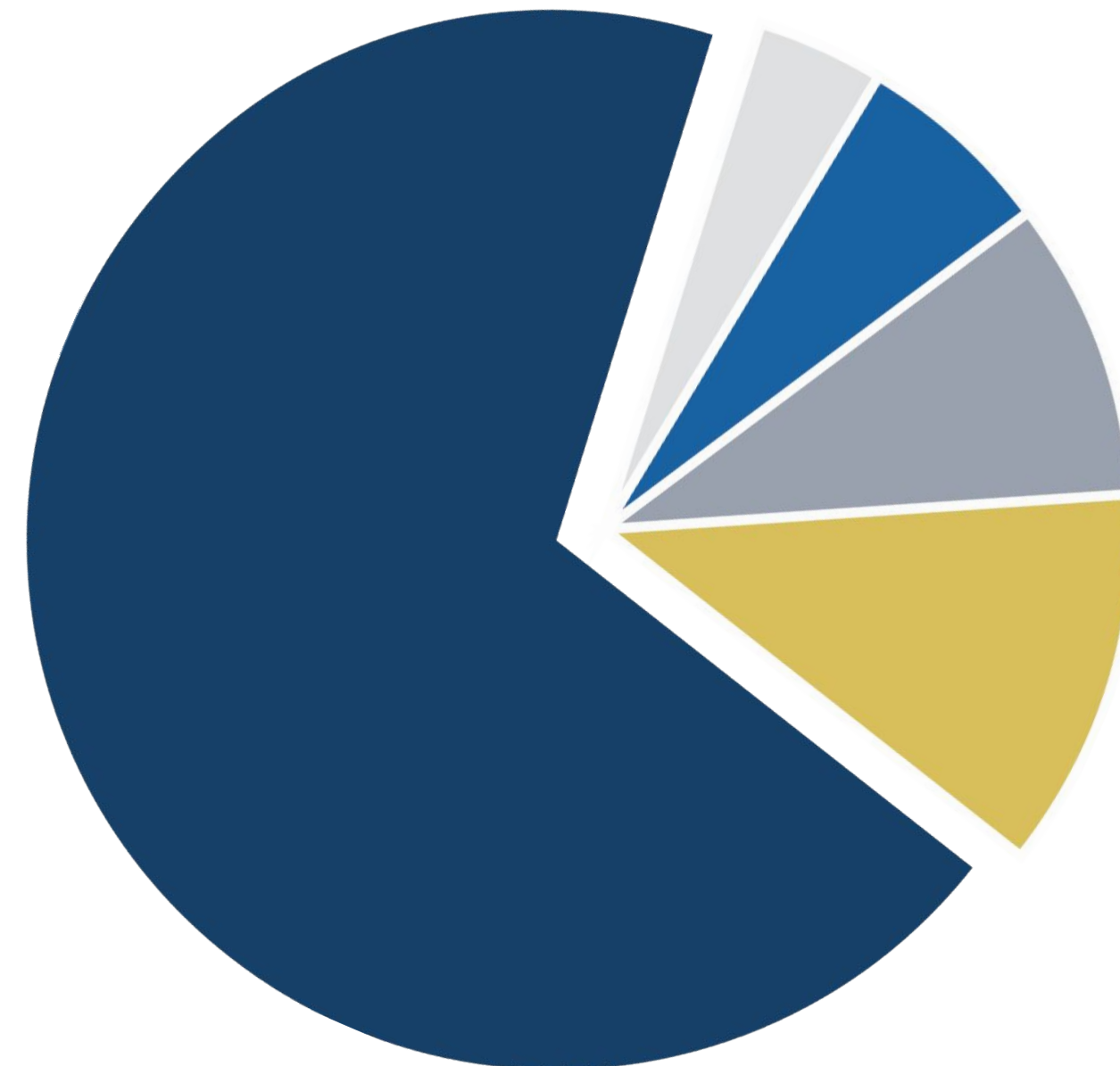
2019-20

5,077
STUDENTS

966
EMPLOYEES

\$67.5 MILLION
ANNUAL BUDGET

68%
INSTRUCTIONAL
STAFF

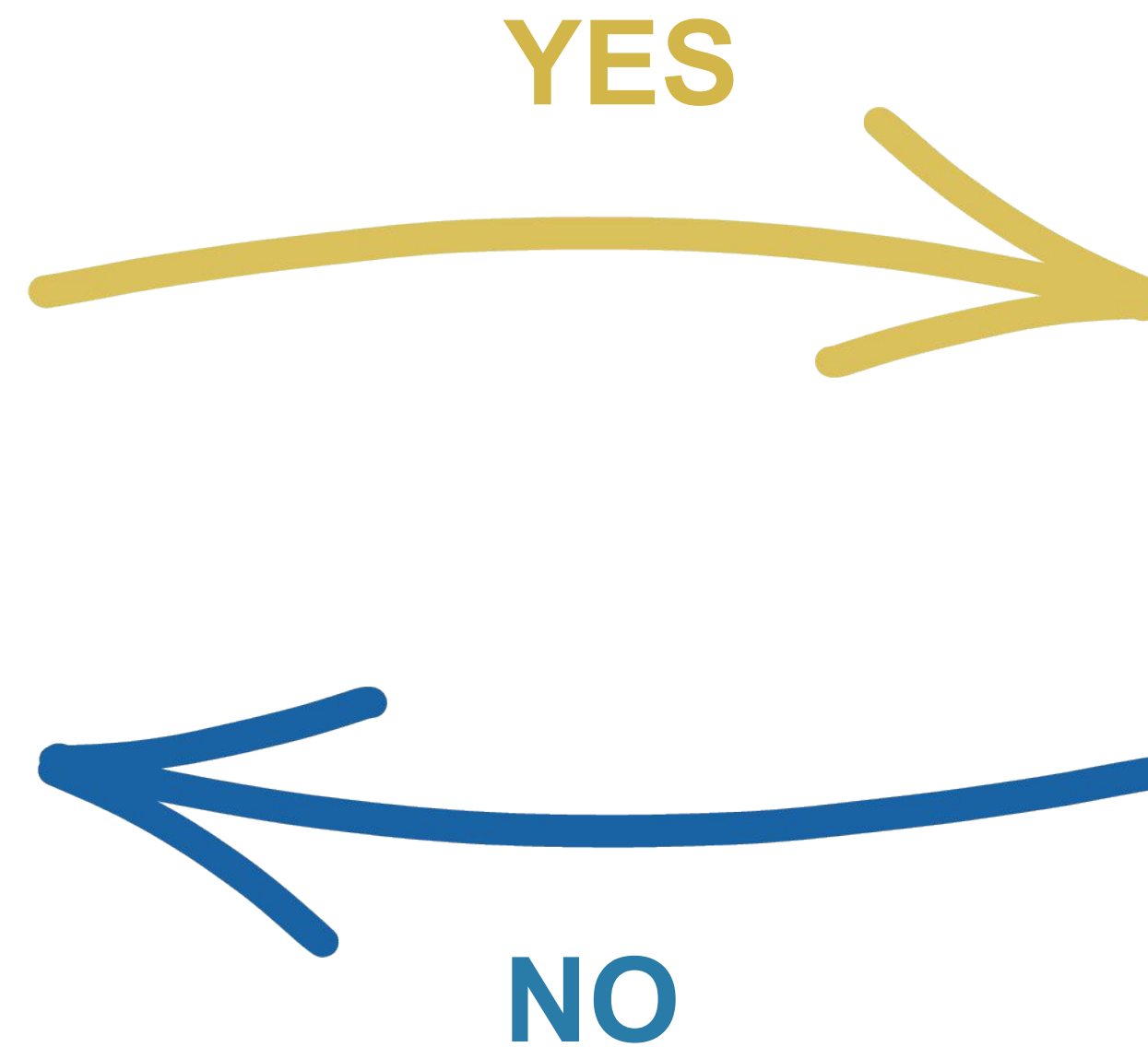


- 3% OTHER
- 4% ADMINISTRATIVE STAFF
- 11% TRANSPORTATION & PUPIL SERVICES
- 14% BUILDING OPERATIONS

Use of Special Funds is Restricted



GENERAL FUND



Capital Projects



Community Education



Telecommuting Aid



Food Services



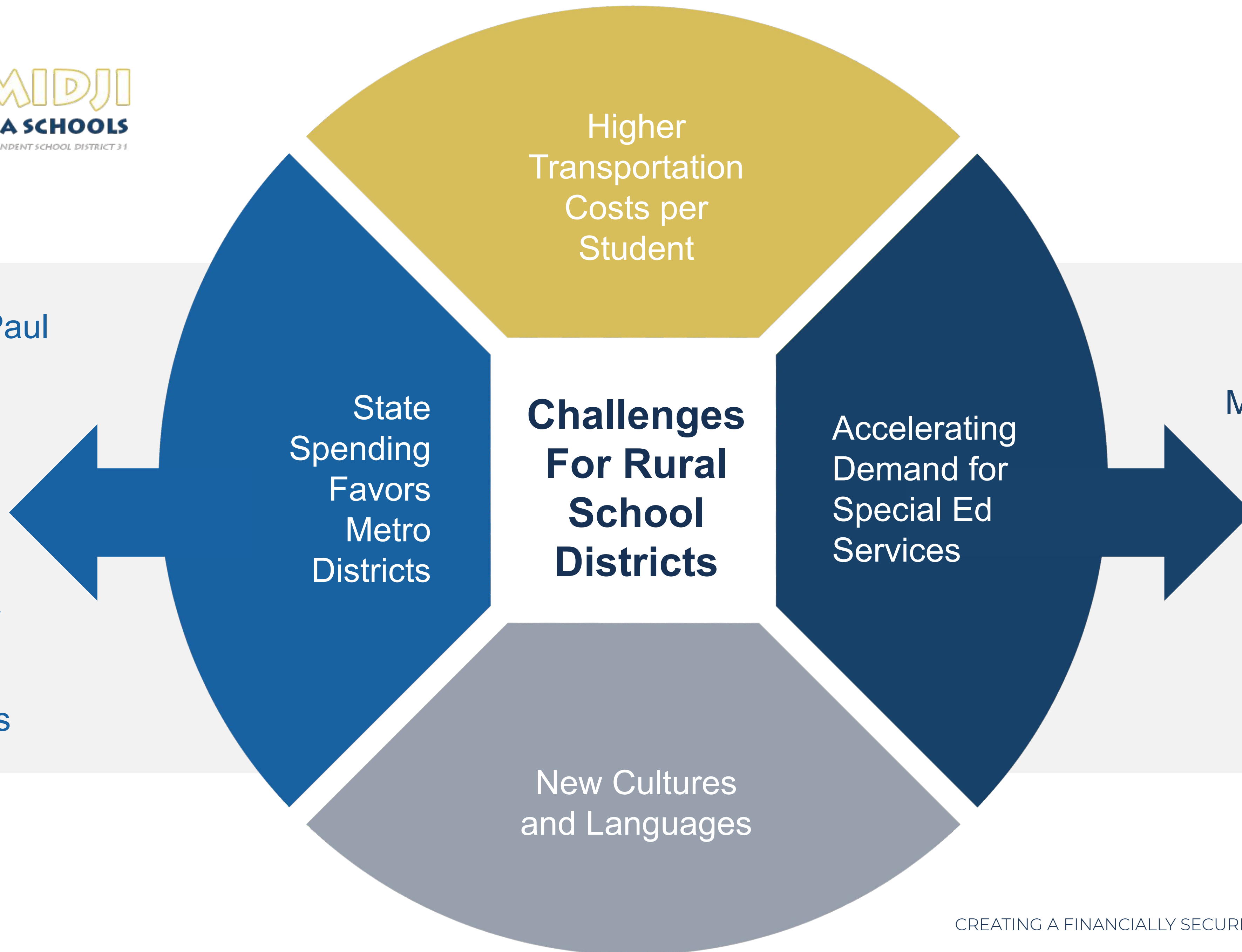
Special Education



Have a headache yet?
IT IS COMPLICATED!



MPLS / St. Paul
recent
per pupil
increase
was
**25%
higher**
than Bemidji
and it's peers



MPLS / St. Paul
receives
50%
more per
student for
special ed

How Bemidji is Different



Special
education
shortfall is
\$4.5 million



Transportation
cross-subsidy



We pay to
retain our
teachers

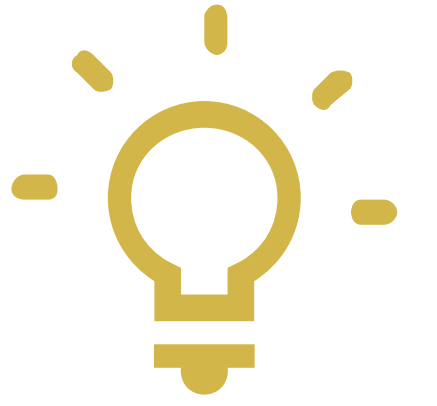


Poverty
measures
changing,
reducing aid



Net Loss of over
900 students
through charter
schools, private
schools and
open enrollment

Constitutional Requirement

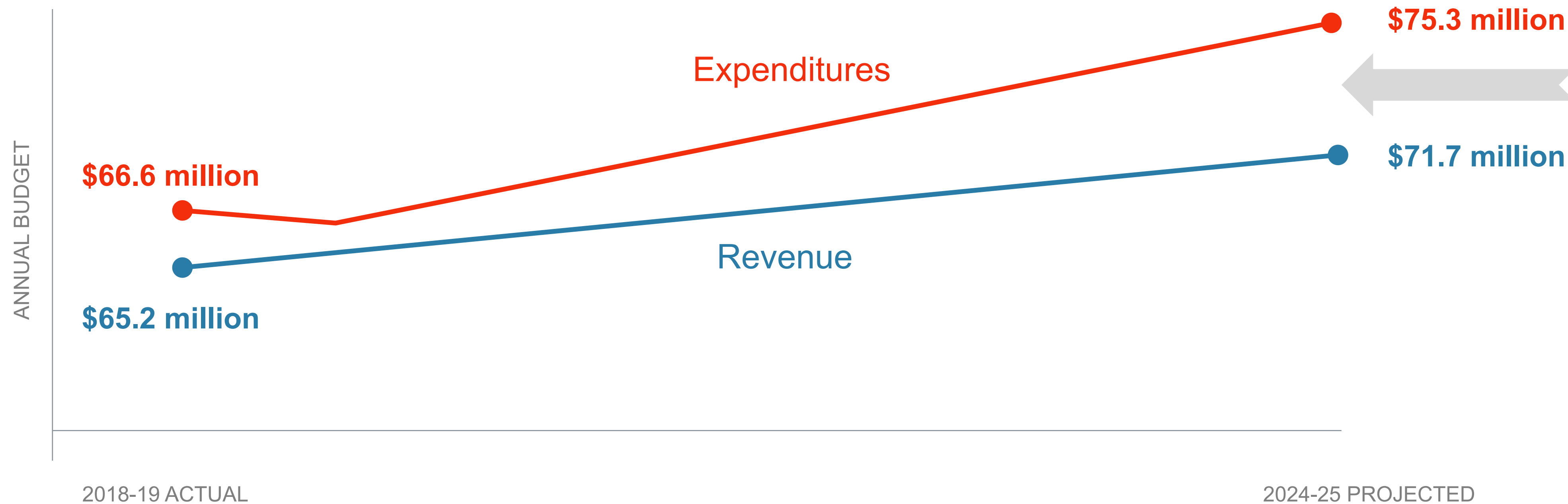


“Section 1. Uniform system of public schools. The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state.”



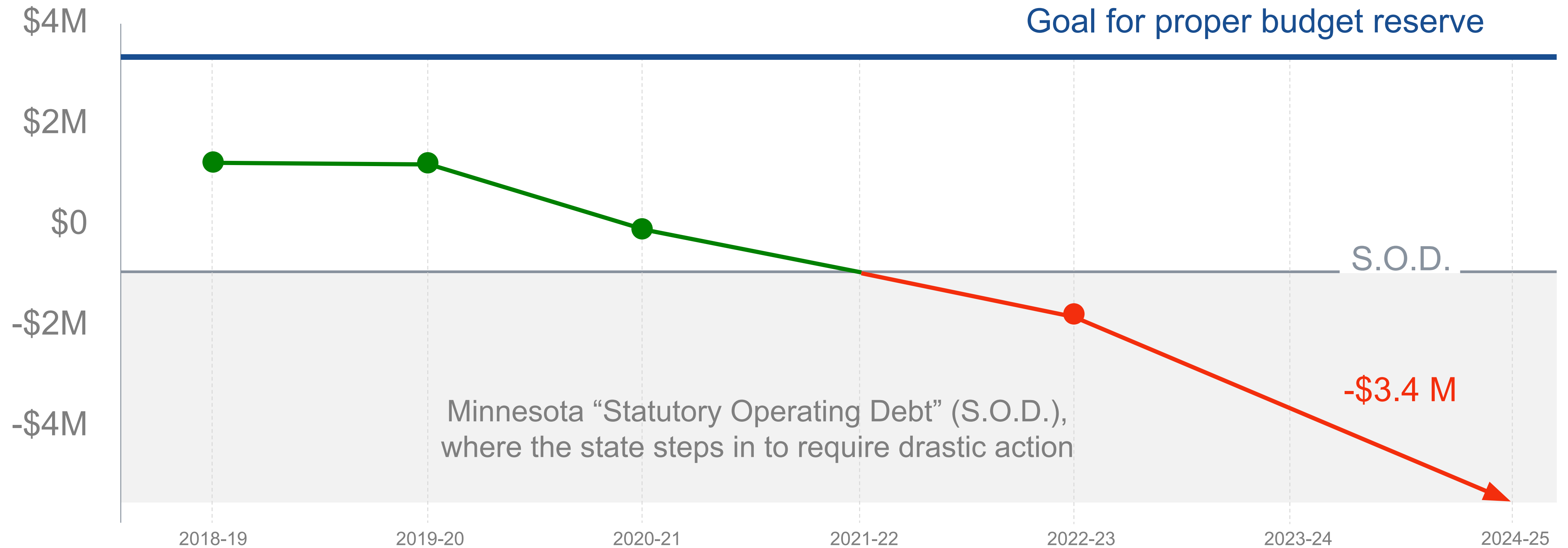
**State of
Minnesota
is not
required to
fund its
mandates**

Budget Picture: Gap is Growing



Gap exists because of required spending that is not funded by the state.

Budget Picture: Reserve is Disappearing



We had hoped to
have more time...

but COVID-19
has greatly
compounded the
problem.



What Our Educators Are Saying



“This pandemic has really hit my program budget hard. I don’t know how we will recover.”

- Teacher



“I don’t see how we can cut any more, but we may need to.”

- Principal



“My students need very specialized help, but that costs the district.”

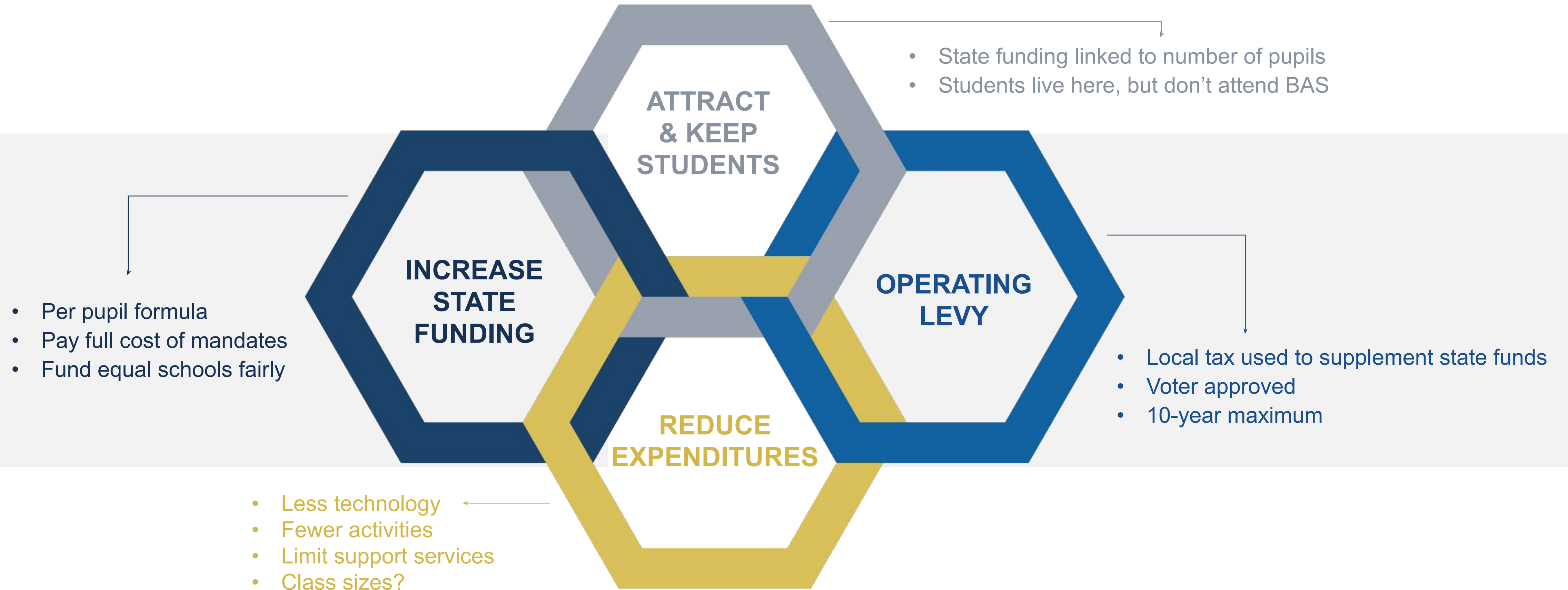
- Special Ed Teacher



“We are faced with some very tough decisions about programs to cut or to keep.”

- Administrator

How School Districts Can Eliminate Deficits



Part One: Increases in State Funding



REMINDER:

Formula has increased no more than

2.0%

annually since 2008

93%

of school districts share funds that are designated for schools with higher transportation costs

329 of 331

districts share funds intended for districts with more free and reduced lunch students

We need to work with local legislators and MREA to bring more state funding to rural districts.

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Part Two: Keep Managing Our Spending

82%

of ISD 31 annual
budget is used for
staff compensation.

- teachers
- support staff
- building/grounds
- special services

Fewer teachers?

Less competitive
salaries?

Limit participation
in sports?

Eliminate services
for students?

**These are tough
choices – we can't cut
our way to success.**

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Part Three: How Do We Keep and Attract Students?

- ✓ More class options
- ✓ Better support services
- ✓ High quality early learning
- ✓ Smaller class sizes



Rural School Districts receive, on average, about \$8,000 per student from the state. An increase in enrollment of local students can help reduce our projected deficit.

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Part Four: Increase Local Operating Levy



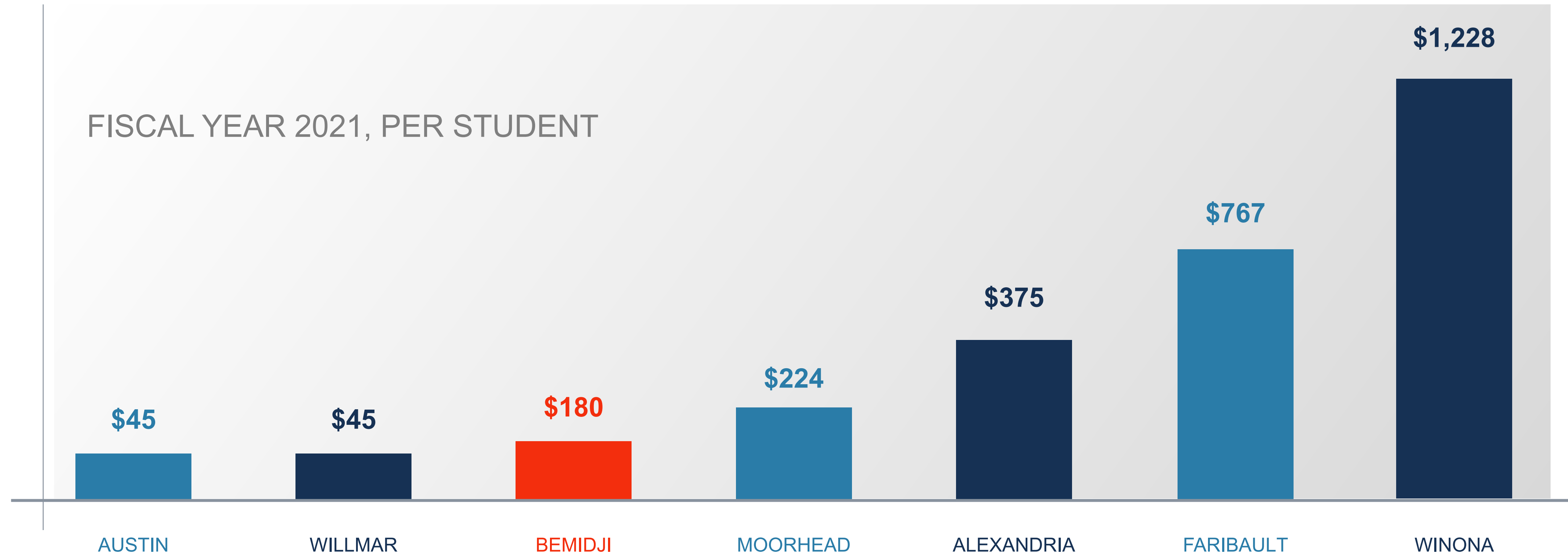
- Both board and voter-approved
- Used for general education expenses
- Voter-approved levies limited to ten years
- Tax increase is based on market value of property
- Seasonal-recreational property is not taxed for operating levies

**Bemidji Referendum Authority
Capped at \$1779.50 per pupil**

CURRENT

Board-approved \$724 / pupil
Voter-approved \$180 /pupil

Comparison to Peer Districts



Options for Referendum Levy

	REVOKE	REPLACE	NET INCREASE	NET REVENUE	REDUCTION OF PROJECTED DEFICIT OVER NEXT 3 YEARS
1.	- \$180 / pupil	+ \$300 / pupil	\$120 / pupil	\$ 657,000	31%
2.	- \$180 / pupil	+ \$460 / pupil	\$280 / pupil	\$ 1.533 million	72%
3.	- \$180 / pupil	+ \$600 / pupil	\$420 / pupil	\$ 2.299 million	109%

Tax Implications



Referendum Market Value	Estimate		
	Pay 2021 Revoked Authority (\$180.00) -0.02889%	Pay 2021 Proposed New Authority \$460.00 0.07384%	Pay 2021 Net Change \$280.00 0.04495%
50,000	(14.45)	36.92	22.47
75,000	(21.67)	55.38	33.71
100,000	(28.89)	73.84	44.95
125,000	(36.12)	92.30	56.18
150,000	(43.34)	110.76	67.42
200,000	(57.79)	147.68	89.89
250,000	(72.23)	184.60	112.36
300,000	(86.68)	221.52	134.84
350,000	(101.13)	258.44	157.31
400,000	(115.57)	295.36	179.78
450,000	(130.02)	332.27	202.25
500,000	(144.47)	369.19	224.73
750,000	(216.70)	553.79	337.09
1,000,000	(288.93)	738.39	449.45

What Are The Rules For Operating Levy Elections?

- Operating Levy can only be held on traditional November election date each year
 - Board decision needed in August
- Majority vote decides – non-votes aren't counted
- Some property owners aren't district residents, so they can't vote



What If The Operating Levy Doesn't Pass?

- We will be more dependent on state and enrollment growth for addressing funding shortage
- Without additional funding, will need to find more spending cuts. Other districts have considered:
 - Larger class sizes
 - Fewer support services
 - Reduced student activities



Next Steps



Continued Community Conversations

- Share district's objectives
- Evaluate options
- **Is 2020 the right time?**



Financial Planning

- Careful budgeting
- Attracting local students
- What happens to state \$ if pandemic continues?

Next Steps



Help from ISD Staff Leaders

- Consider advocacy
- Share your input with others
- Ask how you can help

Committees

Information Central

- **Develop website to post information regarding election and need**
- **Develop mailing to send to all parents and Community Education participants**
- **Identify people to write letters to the editor supporting the referendum (10-20)**
- **Develop ads for newspapers for the first week in November**
- **Create weekly news to post on website**
- **Use Facebook to reach BSU/BHS students**
- **Deploy yard signs strategically in town and throughout the district**
- **Develop trifold brochures/table toppers for restaurants, businesses, etc.**

Committees

Staff/Community Relations

- Meet throughout campaign (September-October) and encourage all employees in all employment groups to get on board to support ballot question
- Help schedule Speakers' Bureau presentations at each site
- Get information out to employees supportive of campaign
- Encourage participation in calling tree and yard sign displays
- Encourage non-school voters to support election in casual conversations throughout the community
- Participate in fall fundraiser activities
- Meet with Community Education staff to obtain mailing list for participants in ABE, GED, ECFE and enrichment classes. Contact community education families to enlist their support and encourage a YES vote on November 3rd.
- Create and update list of all campaign volunteers

Committees

Get Out the Vote Advocacy Committee

- Create and update a list of all campaign volunteers
- Contact BSU students, prior to the election, for voter registration encouraging a YES vote
- Obtain and review voter lists of past elections and contact all parents and supporters encouraging a YES vote
- Consider a calling tree for parents and employees a week prior to the election encouraging a YES vote
- Encourage all new families in the area in EIC, ECFE, and Community Ed to get registered to vote
- Contact absentee voters (through email, phone calls, and texts) who are recent BHS grads and encourage them to vote YES

Committees

Finance Committee

- Send out donation solicitations to businesses doing more than \$10,000 business with the district
- Send out individual donation letters stating need and requesting help
- Host at least one fundraising event during the fall campaign
- Create methods to receive donations
- Account for all receipts and expenditures and financial updates on a regular basis
- Determine if budget allows for mass media advertising, negotiation with local media for spot ads if funding is sufficient
- Manage budget, send required reports to Secretary of State

Committees

Speakers' Bureau

- **Contact organizations to schedule presentations (PTO, Social, Civic, Educational, Faith)**
- **Develop PowerPoint presentation encouraging a YES vote and emphasizing needs**
- **Develop radio ads and recruit familiar voices to read script on air**
- **Schedule Chat About sessions**

BEmidji **BOLD**

Remember: the cost of our referendum request is less than a cup of BOLD coffee, or...



...less than \$4.00 a month!



QUESTIONS?

For more information please
email tim_lutz@isd31.net or call 218.333.3100

Let's Talk!



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AREA SCHOOLS

INDEPENDENT SCHOOL DISTRICT 31