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# Parent Education: Public School Finance in MN

Intellect, Character, and Ideals in the Classical Tradition



# Agenda



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- Introduce Nova's budget
- Discuss Revenue streams
- Discuss Expenditures
- Discuss Special Education funding
- Discuss Fund balance
- Miscellaneous
- Nova's strengths and challenges

# Nova's Budget



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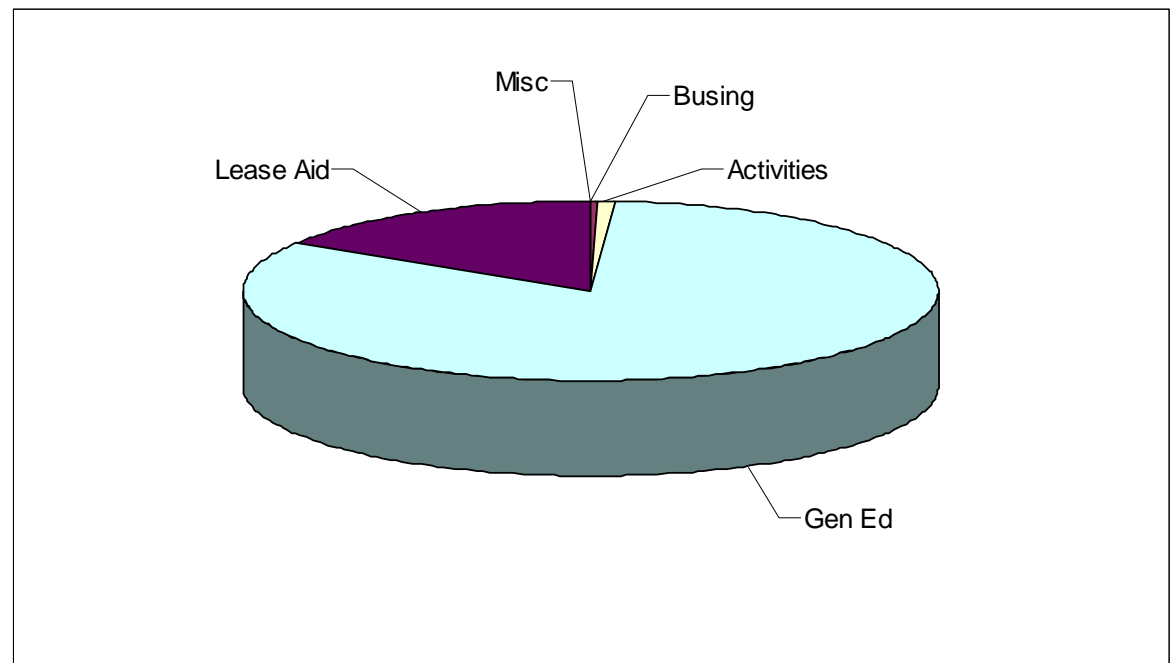
- Forecast vs. Actual budget
- Monthly updates at Board meetings
  - Sample Treasurer's Report (from March 2010)
- Budget Approval process
- Spending Authority Policy

# Revenue Streams



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- ADA, ADM, WADM
- Activity Fees
- Miscellaneous
- Lease Aid
- Title I and III funding
- Competitive grants



# Revenue Streams



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- Fundraising
  - Annual Appeal, one-time donations, NPTO, Sponsor a Student, GEM, Corporate Matching
    - Fundraising dollars for FY2010 were aimed primarily at building the functional science lab at the Upper School and building the school's library
    - Built up the fund balance which is key to the future to Nova
- Not included in forecast budgets (per Authorizer)

# Revenue Streams



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- General Education Aid (approx. 75% of revenue) (unrestricted)
  - Basic formula funding: \$5,124/ppu
  - Gifted & Talented: \$12/ppu
  - Q-Comp: \$243/ppu
  - LEP
  - Compensatory Aid: \$16,500 total
- Restricted funds
  - Kindergarten Enrichment
  - Food service

# Revenue Streams



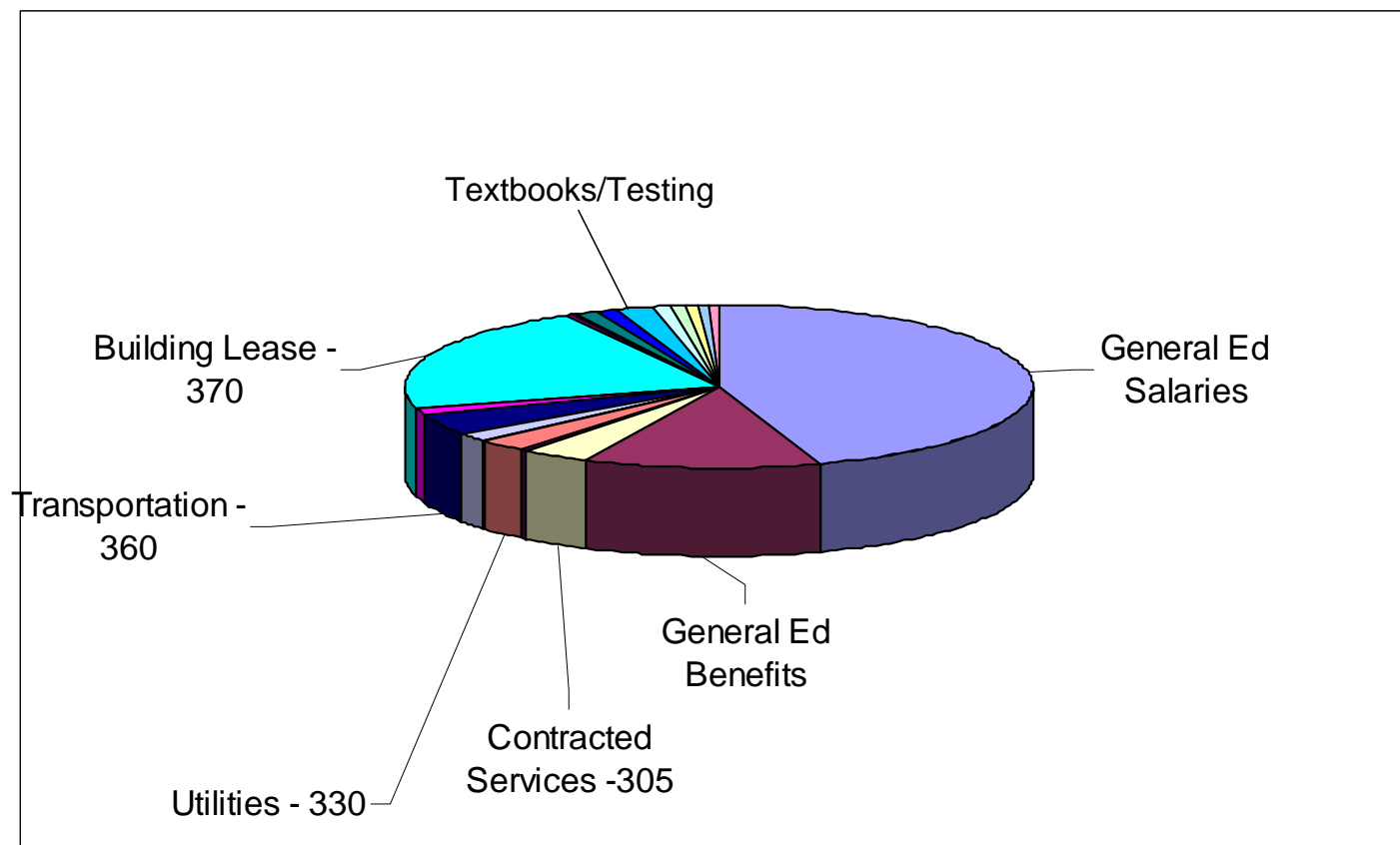
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- Cash flow
  - Semi-monthly payments from MDE deposited directly into Nova's bank account
  - Overall FY2010 budget: \$4,620,472
    - Holdback: 10%; \$422,898
    - Unallotment: 17%, 2010-11 biennium; \$718,926
  - Nova is required to pay 100% of bills on time with only 73% of funding
  - Nova has an open Line of Credit to cover the temporary costs (and pays interest)

# Expenditures



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# Expenditures



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- Salaries and Benefits (approx. 62% of expenditures)
- Contract Services
  - One-time or recurring services through external vendors (e.g., substitute teachers, ELL services, technology support, Romance Language instruction, ISES, audit, nurse)
- Transportation (no specific amount from state)
  - Brown v Board of Education, 1954
- Building lease
  - Three leases for two sites

# Expenditures



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- Professional Development (e.g., conferences, courses, training materials related to classical and professional education)
- Non-instructional supplies
- Instructional supplies
- Repairs and Maintenance
  - Portions of work (labor and materials) Nova is responsible for covering due to our three leases (e.g., lawn care, snow removal, cleaning)
- Textbooks/tests
  - ERBs run about \$35/student/year (approx. \$15k in 2010)

# Expenditures



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- Operating Lease (i.e., photocopiers)
- Extra-curriculars (slightly offset by revenue)
- Membership dues (i.e., FoE fees, interest on LoC, CSP)
- Building Equipment/Equipment
- Technology equipment

# Expenditures



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- Funding Traditional and Charter Public Schools
  - Different revenue sources
    - Lease Aid (14%)
    - Loans
    - Tax levying

<b>District</b>	<b>Per pupil expense</b>	<b>%</b>
Nova	\$8,699 (FY2008)	-
Edina Public Schools	\$9,499 (FY2008)	91.6%
St Paul Public Schools	\$12,484 (FY2008)	69.7%
Mpls Public Schools	\$13,084 (FY2008)	66.5%

# Special Education



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- Two sources:
  - Federal (3%)
    - Administered through pre-approved budgeting
  - State (7%)
    - Tuition billed back to resident district
- Zero sum gain
- Includes personnel, contracted services, equipment

# Fund Balance



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- Definition: cumulative net income/loss since the school began
- Projects the fiscal strength of an organization
- Provides reserves when cash flow is low
- Provides collateral/leverage to bond (if building a facility)

<b>Nova's Fund Balance</b>			
2007-08	2008-09	2009-10	2010-11
6.2%	11.6%	15.37%*	13.95%*
\$206,661	\$374,830	\$676,935	\$677,861

- \*projected from forecast budget numbers and includes fundraising for 2009-10

# Strengths & Challenges



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- Strengths
  - Increasing & healthy fund balance
  - Strong student academic achievement
  - Strong parent support & involvement
  - Strong faculty/staff training and support
  - Proactive legislative efforts
  - Strong application pool (592 on-time applications for SY2011)

# Strengths & Challenges



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- Challenges
  - Lease Aid (affects charter schools only)
  - Formula funding
  - MDE oversight of charter schools
  - Dissolving building corporations
  - Re-payment of the \$785,480 unallotment

# Questions?



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