

Module 13 – Part C: Board Budgeting

Financial planning is a vital and integral part of the overall planning responsibilities that school boards undertake to ensure effective stewardship of the board's resources.

The most visible and significant policy that a board will approve is the annual budget. It has to be balanced and reflect the board's vision. It has to align with board priorities and it must accord with provincial legislation and regulations.

The budget is a reflection of how effectively the board manages its stewardship of the board's resources.

[Budget Development]

The division of responsibility for the budget requires that the Board of Trustees set the priorities and parameters for developing the budget and the Director of Education works with the senior team to develop a budget within these parameters for the Board's approval. The multi-year strategic plan allows for a long-term focus. The Board of Trustees is responsible for monitoring the budget throughout the year to ensure compliance. The Director of Education is responsible for managing the budget and reporting regularly to the Board.

[Budget Operating Principles]

The budget must be consistent with the board's strategic plan, honour all collective agreements and focus on both student well-being and on improved student learning. Budget plans must take into account Safe Schools needs. They must also meet the requirements of Ministry legislation, regulations, policies and priorities. Budget decisions and plans must be sustainable.

Budget operating principles must ensure that every program and support area is examined to take into account contract obligations, funding benchmarks and factors in comparator boards. Communication and consultation, both internally and externally, should take place as appropriate. Effective budget planning will protect overall morale, and minimize any negative impact on staff. It is important to take the necessary time to get the job done properly. Finally, it is critical to be clear about accountability. It must be assigned, measured and reported on appropriately.

[Budget Considerations]

There is a broad range of issues for boards to consider when they are making decisions about the effective allocation of funds across the system. Some key issues include:

- Which programs and services to maintain
- Which programs and services to enhance
- Where available funds can be redirected to other areas
- What the service levels and policies for transportation should be
- Where to locate new schools

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- Whether to close or consolidate schools and, if so, which ones
- How to set school boundaries

Decisions in these areas are critical and have profound effects on students, staff and the community.

[Building a Budget]

Building a budget is essentially a balancing act between revenues and expenses. As the board conducts this balancing act, it is important to keep in mind the board's mission and vision, its objectives and priorities. This must be done in the context of considering ownership, accountability and transparency for all stakeholders. This is a challenging task that requires both knowledge and dedication.

[Budget Timetable]

In the period October to December, the focus will be on developing a budget calendar and critical path, planning meetings, forming a Budget Review Staff Committee, and developing a communication strategy.

From January to March, it is important to concentrate on establishing budget priorities and strategies and defining the big picture. This is the period as well for reviewing year-end results to identify what the budget pressures are and to determine possible budget strategies and alternatives. It is vital as well to obtain feedback from stakeholders and incorporate that feedback into a preliminary budget.

The Grants for Students Needs are announced in March. From March to May the board must analyze the impact of GSN announcements on revenues, incorporate collective agreement requirements into the preliminary budget and prepare preliminary estimates. The task is then to develop budget options, refine strategies and finalize the budget.

During May and June the board plans and holds public budget meetings and gives presentations to School Councils, the Special Education Advisory Committee and other sub-committees. The board then approves an operating and capital budget which must be filed with the Ministry of Education by June 30.

[Financial Reporting Cycle]

School boards are required to file a number of financial reports throughout the year. Here are some major dates in the school year of which trustees and board officials should be aware.

- In March, the Ministry releases the GSN funding formulas.
- In June, boards submit Estimates.
- In December, boards submit Revised Estimates.
- In November, boards submit Financial Statements.
- Also, in May, boards submit the September-to-March Report.

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[Budget Challenges]

As noted earlier, arriving at a balanced budget involves a balancing act so that obligations and key priorities can be met within the resources available to the board.

[Conclusion]

Congratulations on completing this module on Education Finance. This will have given you a basic understanding of the GSN Funding Model, the legislative context, and board budgeting. For more information, particularly as it applies to your board, you should consult with your board's Financial Officer or Superintendent of Finance.