A Guide to School Board Budgets

Governing Board Training

November 25th, 2010
The Budget Building Cycle

• March - June
  – On-going analysis and verification of projected enrolment data
  – Preliminary budgets established for all services and regions based data projections
  – Preliminary Budget submitted to the Ministry of Education, Loisirs et Sports
• September 30 Official Enrolment
  - All students must be verified for eligibility by the Ministry
  - Special Needs student classification validated
  - Both steps are on-going throughout the year

• November Budget Revision
  - Based on receipt of Sept. 30 student enrolment accepted by the Ministry
REVENUES
Revenues 2009-10

- MELS Operating Grant $154,998,084
- School Taxes $58,005,258
- Other Operating Revenues $32,225,751
- Transportation $3,788,423
- Gain on Disposal of Capital Asset $1,785,607

Total $250,803,607
Per Capita Youth Grant

- Grants based on per capita: Kindergarten, Elementary and Secondary students

- Function of if student is ‘Regular’, ‘Mildly Handicapped’ or ‘Severely Handicapped’. 
• Base amount given per student in Quebec, multiplied by a per school board average teacher salary multiplied by the number of students

• Average teacher salary based on statistical hypothesis of number of departing teachers, maternity leaves, scholarity, etc.
Teacher Funding

- Funding envelope based on prior year enrolment in classes and assumption that these students will be in next grade level.

- Average theoretical classes are made with a statistical model generating ideal class sizes.

- Estimated average teacher salary calculated based on historical board averages. Includes salaries, board share costs (fringe benefits), short-term and long-term absences.

- Average teacher salary always two years behind actual salaries although anticipated cost of living adjustments are included.
• Additional amount given for school organization – based on assumption that all students do not fit neatly into MELS class norms

• Additional grant give for other educational expenses (i.e. libraries, administration, telephone) base amount given times number of students
Adult Education Revenues

- “Closed envelope” and open envelope based on pre-1998 adults following courses, being revised to actual students on three year average
- Additionally convoluted after 98-99 fusions
- Amount based on FTE’s, full-time equivalents = 900 hours of study
- Function of HR, Support and Material grant
- Different financing for less than and over 18 years of age
Vocational Education
Revenues

• Based on FTE (900 hours) and program being followed

• Amount given per program in Teacher Salary, Support, Materials and Capital eg: Accounting generates $357 in materials while Heavy Machinery in Forestry generates $12 438 in materials

• At Secondary level, 2% of budget spent on materials. Vocational (without Forestry etc.) over 10% of budget spent on materials
Base Grants

- Various grants given including:
  - Integrated supplementary covering numerous smaller grants. Idea that board can allocate as it sees appropriate.
  - “At Risk” students - funds provided to allocate as appropriate for board although majority of funds folded into teacher envelope.
  - Underprivileged Area grant - funds provided to be allocated as appropriate although majority of funds folded into teacher envelope.
Supplementary Grants

• Based on per capita
  – Day Care Grant
  – Homework Assistance
  – Wellness
School Taxes

- Distributed based on per capita with additional weightings for Special needs students
- Used for head office costs, principal salaries, caretakers, energy, etc.
- 73% of transportation revenues come from school taxes compared to 0% in 2002-03
Recurring Negative Adjustment

- $500K based on theoretical school board integration savings

- Additional $2.5 million reduction based on school board’s contribution to Quebec’s balanced budget

- 2% reduction in board operating budget

- Loi 100 indicates an additional 10% reduction in grants associated with administration expenses over 4 years. For the 2010-2011 school year the reduction will be 2.5%
Other Operating Revenue

- Includes revenue from:
  - Rentals
  - Adult & Vocational Centre fees
  - Pearson Educational Foundation
  - Daycare Services
  - Printing Revenue
  - School fundraising & extracurriculars
  - Etc.
Transportation

• Non-transferable revenues

• Government continues to download into school taxes
Capital Grants

- Non-transferable to Operating budget
- Base amount received for
  - Buildings
  - Computers
  - Equipment
- Specific amount received for textbooks, computers, large projects
- Additional grants available for natural disasters
- Grant received for depreciation expenses and interested associated with borrowing
## EXPENSES

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Teaching Services</td>
<td>$119,220,466</td>
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<tr>
<td>Educational Support</td>
<td>$ 54,709,685</td>
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<tr>
<td>Transportation</td>
<td>$ 12,215,932</td>
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<tr>
<td>Administrative Activities</td>
<td>$ 12,126,130</td>
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<tr>
<td>Extracurricular Activities</td>
<td>$ 10,472,308</td>
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<tr>
<td>Mntce, Caretaking, Energy</td>
<td>$ 19,111,215</td>
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<tr>
<td>Amtization property &amp; Equip</td>
<td>$ 10,381,626</td>
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<tr>
<td>Special needs schools</td>
<td>$ 6,067,369</td>
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<tr>
<td>Interest</td>
<td>$  207,416</td>
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<tr>
<td>Other</td>
<td>$  2,539,256</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 247,058,791</strong></td>
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</table>
Budget Principles

• To provide maximum possible allocations to the classroom

• To keep within resources available

• To ensure accountability

• To ensure the sound management of results
2008-09 Conversion to GAAP

• School Board accounting policies were dictated by MELS not GAAP
• GAAP implemented as of July 1st 2008
  Major change dealt with depreciation of fixed assets (land and buildings were evaluated at municipal evaluation instead of depreciated value) and treatment of sick and vacation days.
10% Surplus freeze announced in 2009-2010 & 10-11 Budget Rules

INTRODUCTION

The implementation of the surplus rules included in the Ministry of Education, Science, and Sport’s decree on the application of the Law on the Financial Reporting of Local Authorities in the Republic of Slovenia, was subject to the approval of the Council of Ministers. The rules aim to prevent the increase of the surplus in the financial year and to ensure the efficient use of public funds. The surplus rules are outlined in the following sections.

In the context of the surplus freeze, the Ministry of Education, Science, and Sport has established rules for the allocation of surpluses for educational purposes. These rules include the identification of educational projects that are eligible for surplus allocation, the calculation of the surplus, and the procedures for its allocation. The surplus rules are designed to ensure that educational projects are funded in a timely and efficient manner.

The surplus rules are intended to promote the efficient use of public funds and to ensure that educational projects receive the necessary funding. The rules will be reviewed and adjusted as necessary to ensure their effectiveness and to align with the changing needs of the educational sector.
Loi 100

• Requires school boards to reduce 25% of publicity, PD and travel
• Reduce 10% of administrative expenses with 2.5% cumulative increase per annum
• Replace one out of every two admin retirements until 2014
Budget Consultation 2010-2011

• List additional services or orientations you would like to see offered by the school board

• Suggestions to reallocate resources, increase revenues, or decrease expenses or services?

• Suggestions regarding objectives, principles or criteria used to govern allocation of funds