



**SUDBURY CATHOLIC  
DISTRICT SCHOOL BOARD**

Budget Process Manual

2019-2020

## Table of Contents

ACTION PLAN AND TIMELINE .....	3
BUDGET PROCESS.....	4
Summary Budget Analysis .....	4
Funding Issues .....	5
SCDSB Budget Situation .....	5
Specific Budget Considerations and Risks .....	5
Approach to the 2019-20 Budget .....	6
Provincial Guidelines .....	7
Strategic Planning and Consultation.....	7
Revenue Estimates .....	7
Expenditure Budget Estimates .....	8
Salaries and Benefits Budgets: .....	8
Non-Salary Budgets: .....	8
Transportation Budget: .....	8
Pupil Accommodation Budget:.....	9
Major Maintenance/Capital Expenditures: .....	9
Role of Administrative Council .....	9
Role of the Community .....	9
Role of the Board of Trustees .....	10
Role of the Audit Committee .....	10
2019-20 Budget Timetable .....	11

### ACTION PLAN AND TIMELINE

The following is an Action Plan with suggested timelines for the development of the 2019-20 Budget. This will identify the opportunity for input from the various groups and outline clear processes.

ACTION	TIME LINE
Budget Procedures Manual to be prepared and distributed to all superintendents, principals, department managers and trustees.	February 2019
Departmental expenditure estimates to be prepared in consultation with all relevant persons, consolidated, prioritized and forwarded to the Finance Department.	March 2019
Senior Administration to begin to identify goals and priorities for the year.	March 2019
Finance Department to summarize, collate and consolidate all departmental submissions and prepare Preliminary Budget Estimates.	March/April 2019
Portfolio/Budget Presentations to Board of Trustees	April 2019
Analysis of Preliminary Expenditures and Estimates by Administrative Council.	April 2019
Regular Board Meeting to review the Preliminary Estimates.	May 2019
Audit Committee to recommend Budget to Board.	May 2019
Board to approve the Final Budget.	June 2019

## BUDGET PROCESS

### Summary Budget Analysis

#### *Our vision*

Leaders in learning and faith.

#### *Our mission*

To realize each student's potential within our inclusive Catholic learning community by nurturing and developing their mind, body and spirit.

#### *Our values*

Modelling Jesus in the world through:

- Faith
- Respect
- Community
- Innovation
- Learning

The Board's [Multi-Year Strategic Plan](#) identifies three commitments to our stakeholders. They include strengthening our faith-based, inclusive and equitable community, promoting innovation, and advancing leadership and learning for all. Faced with increasing financial restraints, these commitments continue to guide the Board's decision-making on new investments and cost reductions.

The guiding principles to be used by the board in the development of the 2019-20 budget are as follows:

- To remain student focused guided by our strategic pathways;
- To preserve programs and enhance deliverables to students;
- To increase efficiencies of operations;
- To ensure value for money;
- To take a conservative approach; and
- To ensure legislative compliance.

Some of the current issues and or trends that the board took into consideration while developing the budget this year are as follows:

- Classroom environments must reflect 21<sup>st</sup> century pedagogy;
- Promote professional learning for teachers to meet the needs of the 21<sup>st</sup> century learner;
- Succession planning and leadership development;
- Uncertainty regarding the extent of reduction to GSN funding;
- Uncertainty regarding EPO funding;
- Levels of absenteeism; and
- Downward trending populations in Northeastern Ontario.

The purpose of a budget process is to provide, in a consolidated form, the necessary guidelines for its preparation. The prime objective of a set of budget guidelines is to serve as a guide to those involved in the budgetary process by providing instructions that are clear, concise and easy to understand.

The Superintendent of Business & Treasurer has the responsibility of coordinating the overall budget material into a consistent and readable format. The Superintendents of Education and Director of Education have the responsibility for developing and coordinating the budgets within their areas of responsibility. Principals and managers have similar responsibilities with respect to their individual school and department.

### Funding Issues

The Grants for Student Needs (GSN's) provided by the province are the primary source of revenue for a school board to operate. Calculation of these provincial grants are mainly driven by student enrolment numbers, as well as a number of different elements such as special education needs, level and nature of second language instruction, the age and type of schools, and unique geographic needs. Some of the grants are special purpose in nature and their use is restricted.

While the budget process begins in January, discussions on budget are constrained by uncertainty as to the exact amount and nature of provincial funding. Specific information about the GSN's is normally not available until the release of the provincial budget. In the past few years this information has normally become available in late March or early April. Notwithstanding the above, forecasts are developed by staff based on current information. In the same manner, budget forecasts for next year have begun based on the 2018-19 experience, anticipated cost pressure and funding reductions and identified priorities for the upcoming year.

In order to meet collective agreement timelines for staffing and to assist with effective planning for September, decisions regarding teacher staffing need to be made in early April, in advance of the development of staff's recommendation and the Board's discussion on the following year's budget. This does present a risk for the board due to its dependency on provincial grants.

### SCDSB Budget Situation

The Board is entering the 2019-20 budget process in a favourable position having ended the 2017-18 fiscal year with an operating surplus of approximately \$3.8 million. Although we must remain conservative in our approach to business operations so that we may endeavour to maintain an annual balanced budget we continue to have the flexibility to explore new opportunities for the board as identified in our priority setting exercises.

### Specific Budget Considerations and Risks

A significant part of the budget-setting process will be completed based on academic staffing decisions which are made in April. These decisions are made based on grant estimates and enrolment projections for the coming year using the best information that we have at that time. A major area of risk in the budget preparation resides in enrolment

projections. On a system level, enrolment projections were reasonable; however, there can be larger school by school or grade by grade variances that can create staffing pressures. It is important to note that our enrolment projections are derived from a combination of staff experience and local area knowledge and compared to information provided from the Baragar system. This system uses our historical enrolment data as well as future statistical trending in many areas. The sources are Federal, Provincial and from local levels. They include current birth rates, population and preschool data for each school, multiple years of select data to support historic and trend analysis.

The board must take into consideration the terms of the respective collective agreements. Specifically in the area of salary increases. The Ministry has indicated that through the GSN's it will fund the board the increases to the extent of the benchmark salary levels however our average teacher salary is over the benchmark, so the board will have to find the additional funds through its existing budget.

The other area of risk for the board is in the area of absenteeism. Our absenteeism statistics for our employee groups are significantly higher than we would like them to be. The cost to the board includes leave expense, the cost of replacement workers and the cost of learning interruptions to the students and service delivery.

The board also has to consider the possible impact to the funding model and possibilities of changing priorities that could result depending on the direction of the current government. The impact of possible reductions to GSN and EPOs would be felt across the entire organization.

#### [Approach to the 2019-20 Budget](#)

The [Multi-Year Strategic Plan](#), as established by the Board of Trustees will provide the framework for the allocation of budget resources in the 2019-20 budgets and staff intends to continue to improve the alignment of resources with these priorities.

Statements by the federal and provincial governments have made it clear that they continue to be focused on deficit reduction, and that additional funding to transfer payment organizations will be extremely limited and it is likely that the board will experience further reductions in its funding levels in the upcoming budget.

Expenditure management strategies are going to be key in the development of the budget with emphasis on supporting directions that can show their success through evidence based results or expectations on which we can make decisions while undergoing continuing review during the budget process and throughout this and subsequent years. To ensure that we are able to report on and provide evidence to support the decisions that we made we have to find ways to continue to support those decisions with data. Effective planning should be a prerequisite for all decisions and direction in which we want to take the board followed by a process of continuous improvement. The government will continue to support shared services models for back-office functions and we must continue to look for and assess those opportunities.

### Provincial Guidelines

Boards will not have an in-year deficit for a fiscal year that is greater than the amount determined by the lesser of the board's accumulated surplus for the preceding fiscal year and 1 per cent of the board's operating revenue for the fiscal year.

Boards shall not adopt estimates that indicate the board would have an in-year deficit for the fiscal year unless the estimated in-year deficit would be equal to or less than the amount determined as noted above.

The Board must balance its desire to provide the best possible education for its students with the resources available to it. While the Board will consult with local interest groups, it cannot abdicate the requirement to act as a responsible corporate body in fiscal matters. It must, by law, balance the annual budget and if expenditures exceed revenues, develop a plan to take corrective action.

The Board should finalize the Budget (assuming final revenue information has been released in a timely fashion) no later than June 30 for submission to the Province at that time.

### Strategic Planning and Consultation

In early March, Senior Administration will participate in strategic budget-planning meetings to discuss significant trends, both current and future. There will also be consultation with other system leaders (principals and managers) to gather their input. The outcomes of these meetings will be compared and consolidated and will result in setting direction for developing a draft operational plan.

When planning, supervisory officers, principals and managers should keep the following in mind if program or services changes are being considered:

- Assess the long-term operational sustainability of these programs or services;
- Assess the impact of the removal of the program or services on students, the system and the community;
- Assess alternative methods of service delivery that could reduce spending without impacting students, the system and/or community; and
- A review of data to assess the impact and viability of the programs and/or services.

This information will then be shared and discussed with Trustees, at several budget strategy sessions, prior to recommending the draft estimates budget. Once established, the draft estimates budget will be shared on the website for public consultation.

### Revenue Estimates

The Ministry of Education has not yet released any technical documents that pertain to the 2019-20 budget year. Administration will use the Revised Summer 2018-19 technical information less a 4% reduction (this can be adjusted once the technical documents are received), to calculate initial revenue estimates. The actual regulations, forms and

computer files may not be available for several weeks, and ultimately, these will have to be completed and filed with the Ministry to determine the Board's revenue. It may be that when such official forms are completed, the initial estimates will have to be revised. It should also be noted that we will continue with our past practice of only including EPO's in the estimates revenue that have been confirmed at the time the budget is prepared. Should there be EPO's that are not confirmed that we determine are priorities we will have to build that capacity into our budgets and identify funding from another source and re-prioritize other investments.

### Expenditure Budget Estimates

#### Salaries and Benefits Budgets:

- The number of corporate departmental staff is expected to remain constant. Should a change be requested it must be accompanied by a strong rationale and explanation as to how it will be funded, while keeping within the administration compliance envelope.
- The number of school and instructional staff are determined based on enrolment projections, funding formulas, meeting primary class size requirements and collective agreements.
- Salary costs will be projected based on the rates negotiated in the collective agreements.

#### Non-Salary Budgets:

Accordingly, in order to meet the overall budget targets, it will be necessary to adhere to the following guidelines:

- Budgets are determined through a combination of alignment of priorities within our multi-year strategic plan and the availability of funding.
- That the cost of any proposed new programs or changes in current programs or services be accompanied by documentation supporting the proposal that shows the alignment to board priorities and considers potential sources of funding.
- That each school give priority to educational programs in developing school budget estimates. Co-curricular and extra-curricular activities shall be closely examined to ensure that priorities are appropriate.
- Assessment of historical trends and anticipated future directions be undertaken and used to drive forward and identify budget requirements for the upcoming year.

#### Transportation Budget:

Fees should be based on budgets provided by the consortium. The Board should perform a thorough review of the budget and request the consortium to provide an explanation and analysis of calculations and variances from the previous year.



### Pupil Accommodation Budget:

This budget incorporates all costs related to running our buildings and keeping them clean, providing an inviting, positive and safe environment for our students to gather and learn. These costs consist of:

- custodial coverage which is calculated based on square footage and then assessed based on additional needs as determined by management review
- cleaning supplies and grounds upkeep costs, driven by historical trending
- utility budgets are driven by market rates and trends
- maintenance budgets are based on existing contracts and needs identified as part of a multi-year plan as well as a contingency for unknown repairs that will occur

### Major Maintenance/Capital Expenditures:

Budgets are based on identified needs as determined through the application and assessment of the VFA (Verified Facility Assessment) in conjunction with the FC (Facility Condition). The total is not to exceed the estimated School Renewal Grant and the School Condition Improvement Grant or any additional grants that are specifically applied for and funded through Ministry initiatives and that are in line with the Long-Term Capital Plan.

### Role of Administrative Council

Based on the submissions from all departments (including schools), Administrative Council will review and analyze the Preliminary Expenditures Estimates in April 2019. Administrative Council will determine what action(s) might be necessary to comply with the Board's directions and guidelines as well as any legislative compliance that is necessary. Any recommendations are to be prioritized by Administrative Council and will include information as complete as is reasonably possible regarding their effect on schools and programs, where applicable. Director and Superintendents roles and responsibilities, see Appendix A.

### Role of the Community

Public participation in the Budget Process is encouraged. The draft budget information will be made available on the Board's website and comments can be provided by email. Delegations by the public can also be made at any of the Budget Committee meetings.

This provides the public an opportunity to collaborate on Board activities, including fiscal actions. The Budget process offers a specific opportunity to the public (whether or not they are ratepayers) and each school community, in particular, to become involved in the determination of the Budget. In addition, members of each school community should be invited to share in the budget setting process at the school level, along with the school's administration and staff. School administration shall meet with its Catholic School Council and seek its input with respect to the proposed expenditures under its control.

### Role of the Board of Trustees

The primary role of the Board of Trustees is to establish the goals and objectives for the year and to approve the final budget. It is the Board of Trustees' prerogative to determine the extent to which it wishes to become involved in the budget preparation process and how it wishes to conduct a review of the various stages of the process. The Board may, at any time, request detailed, specific information from Administration to assist in this review.

The Board may also wish to establish, in advance, overall targets or goals that are to be met or to establish other guidelines that could be used in the preparation of the annual budget estimates. The Board can determine the extent to which it involves ratepayers and other system stakeholders, however, the budget process must be open, except as provided under the Education Act or other applicable legislation.

### Role of the Audit Committee

The audit committee's role is to be involved in ensuring the integrity of the financial reporting process and ensuring the reliability of the financial information disseminated by the Board. The committee should review all budgets and financial statements, whether interim or annual, and provide a recommendation before they are presented to the Board of Trustees for approval. As well the committee should review all existing accounting policies and concentrate on the impact to the financial statements of any changes in accounting policies including the likely impact on any contemplated changes.

## 2019-20 Budget Timetable

Date	Responsibility	Procedure
February 13	Sr. Admin	Review Draft Manual Timetable with Director and Sr. Admin and Risk Identification
February 15	Business SO	Budget Templates to Superintendents and Managers (Due March 22)
February 19	Director	Regular Board Meeting – Present Budget Process
February 28	Business SO	Preliminary Enrolment Projections
March 8	Sr. Admin	Strategic Planning and Goal Setting Session
March 22	Superintendents, Managers	Draft Expenditure Budgets to Business SO (excl. staffing)
March 27	Business SO, Admin Council	Review Budget Estimates
March 31	Sr. Admin.	Update Enrolment Projections
April 5	Sr. Admin	Staffing Requirements
April 12	Education SO - Secondary/Elementary	Staffing meeting with Principals
April 15	Education SO – Secondary/Elementary	Identify: Secondary Redundancy and Elementary Surplus A

April	Director of Education	Portfolio/Budget Presentations to Board of Trustees
April 16	Business SO	Present Provincial Grant Update at Board
April 30	Manager of Finance	Complete Revenue Estimates (EFIS) Complete Expenditure Budget (EFIS)
May 1	Business SO	Present Draft Budget (Staffing) to Senior Administrative Council
May 29	Business SO	Final Budget to Audit Committee
June 18	Business SO	Draft Budget to Board for Approval
September 1 – October 31	Finance Department and Business SO	2018-19 Year-end procedures and working paper preparation
September 6	Schools Business SO	Preliminary Enrolment Count – any significant issues to be dealt with immediately by SO's
September 11	Schools - Secondary Business SO	Final Enrolment Count – used to make final staffing decisions for the current year
September 20	Education SO and Business SO	Joint Staffing Committee Secondary meeting to present final staffing numbers
September 27	Schools – Elementary Business SO	Final class organizations to ensure Primary Class Size adhered to, based on September 11 enrolment
September 27	Education SO and Business SO	Joint Staffing Committee Elementary meeting to present final staffing numbers

October 31	Schools IMS	Ontario School Information System (OnSIS) official fall count date, due to Ministry by December 31
November 5	Manager of Finance	Budget Templates to Superintendents and Managers to review 2019-20 for Revised Estimates
November 8	Superintendents, Managers	Submission of Budget Templates to Superintendent of Business
November 13	Business SO	Audit Committee Meeting to review draft 2018-19 Financials
November 19	Business SO	Presentation of 2018-19 Financial Statements to Board for approval and submission of EFIS to Ministry
November 29	Financial Analyst	Submission of 2018-19 Capital Analysis Planning report to Ministry
December 3	Business SO	Present to Board Revised Estimates for approval
December 11	Business SO	Submit Revised Estimates to Ministry

Note: These timelines are proposed and may need to be adjusted.