



Miikana

**NAN - From Funding Letter to Community
Education Budget**



Who Am I



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Understanding Your Funding



The Side-by-Side Letter

Purpose: Overview of how ISC calculates funding. It's a funding envelope.

Key Principle: While ISC provides the funding calculation, "First Nations have the autonomy to create their education budget based on local priorities."



Funding Areas

- Operation FN Schools (formula-based funding for school operations, administration and governance, and priorities funding)
- Students attending provincial/private schools (e.g. tuition, transportation, accommodation etc.)
- Funding “enhancements” (e.g. language and culture, remoteness etc.)
- Program funding (e.g. before/after school, Spec Ed etc.)
- Funding to other service providers (NAN, Matawa, KO, NNEC etc.)



Building Your Education Budgets



Where to start...5 pillars

- First Nation strategic plan or comprehensive community plan
- Education vision
- Student achievement data (to give context on how the youth are doing)
- Side-by-Side (to understand the allocation)
- Historical spending (to understand previous funding use)



Budgeting Process - Step 1

Policy: Does your First Nation have a Financial Administration Law (FAL) or financial policies that define the budget process (timelines, roles, responsibilities, approval levels)?

Key Questions?

- Is there a larger budget process that you are a part of?
- Do you have the information and tools that you need to participate in it?



Budgeting Process - Step 2a

Needs Assessment & Priority Setting: Based on strategic plans, student achievement data and community/staff input.

Key Questions - Strategy & Priorities

- Are there clear education priorities that need to be “budgeted” for?
 - Where they exist, ensure they are listed in your budget to show how they are being resourced.
 - Where they do not exist, is there an opportunity to work with Chief and Council, Education leads and community members to identify them as part of the budget making process?



Budgeting Process - Step 2b

Needs Assessment & Priority Setting: Based on strategic plans, student achievement data and community/staff input.

Key Questions - Student Achievement

- Do you have data that shows how your students are doing?
- Do you have comparable student achievement data from other schools?
- Are there additional supports and services that would assist your students in the areas where the data is below what you would like it to be?



Budgeting Process - Step 2c

Needs Assessment & Priority Setting: Based on strategic plans, student achievement data and community/staff input.

Key Questions - Community & Staff Input

- Are there opportunities for families participating in education to provide feedback and make suggestions regarding their needs?
- Are there opportunities for education staff to provide feedback and make suggestions regarding their needs?



Budgeting Process - Step 3

Multi-Year Perspective: Discuss how this annual budget fits into a longer-term (e.g., 3-5 year) financial outlook or plan for education, even if funding is confirmed annually.

Key Questions

- Given your established priorities, are there any that should be considered as part of a multi-year funding plan?
- Are there any that require a multi-year funding commitment?



Budgeting Process - Step 4

Understanding Past Financial Performance: Review previous budgets and actuals to understand where there may be areas that need review.

Key Questions

- In reviewing the previous year's spending, were there areas that were overspent or underspent? Why? Are adjustments required this year?
- Did you achieve value in the investments in education that you made (internally and with service providers?)



Budgeting Process - Step 5

Expense Estimation: Costing out activities for each locally-defined priority and budget category.

Key Questions

- Are there significant changes required to the previous year's budget based on overspending or underspending?
- Where specific priorities or needs are being potentially added to the budget, are there opportunities for existing staff to take on these initiatives, or is new staffing required?
- How are costing assumptions being tested/validated?



Budgeting Process - Step 6

Drafting the Budget: Preparing a formal budget document reflecting the priorities and needs.

Key Questions

- Is there a prescribed approach or template that should be followed?
- Strongly recommend stating the priorities outlined in the CCP, Education Plan, and those brought forward throughout the process at the beginning of the budget to give the reader context.



Budgeting Process - Step 7

Revenue Alignment: Primarily based on the "TOTAL sent to the Recipient" from the funding letter, plus any other education-related revenues.

Key Questions

- When you look at the needs identified, and last year's spending, how do those compare to your revenue projection?
 - If there is a surplus (unlikely), you might consider additional feedback to add a priority or two?
 - If there is a deficit, are there additional funds that might be accessible to enhance education funding (e.g. own source revenues, other project funding programs etc.)?
 - what is the decision-making process to adjust the budget to meet the projected revenue?



Budgeting Process - Step 8a

Review & Refinement: Internal review by staff, review by a Finance and Audit Committee (if applicable), possible community consultation.

Key Questions

- Are the employees responsible for delivering on the proposed budget in agreement that they can achieve the goals with the budget set up the way that it is?
- Avoid the “we’ll figure it out” trap.



Budgeting Process - Step 8b

Review & Refinement: Internal review by staff, review by a Finance and Audit Committee (if applicable), possible community consultation.

Key Questions

- Does the community understand how the established priorities are being resourced, or are not?
- Does the community and leadership understand the proposed tradeoffs included in the budget?



Budgeting Process - Step 9

Formal Council Approval: Does the annual budget require formal approval by Chief and Council as per the FAL or financial policies.



Budgeting Process - Step 10

Setting Up Management and Monitoring of the Budget:

- Regular tracking expenditures against budget.
- Regular financial reporting (to whom, how often?).
- Processes for budget adjustments/amendments (must follow policy).
- Managing potential deficits as per First Nation policy.



Budgeting - Key Takeaways

- First Nations have the autonomy to create their education budget based on local priorities.
- Process matters
- A short list of clear, measurable goals can be very helpful
- Unfortunately we can't do everything in a budget cycle
- What gets resourced gets done



Questions?