

2017/2018 Annual Budget



- Welcome - Official Trustee, Mike McKay
- Budget Committee - Introductions
- Budget Overview - Secretary-Treasurer, Nicole Bittante
- Question Period
- Round Table Discussions
- Next Steps

2017/2018 Annual Budget



Understanding School District No. 83 Finances

How is the School District funded?

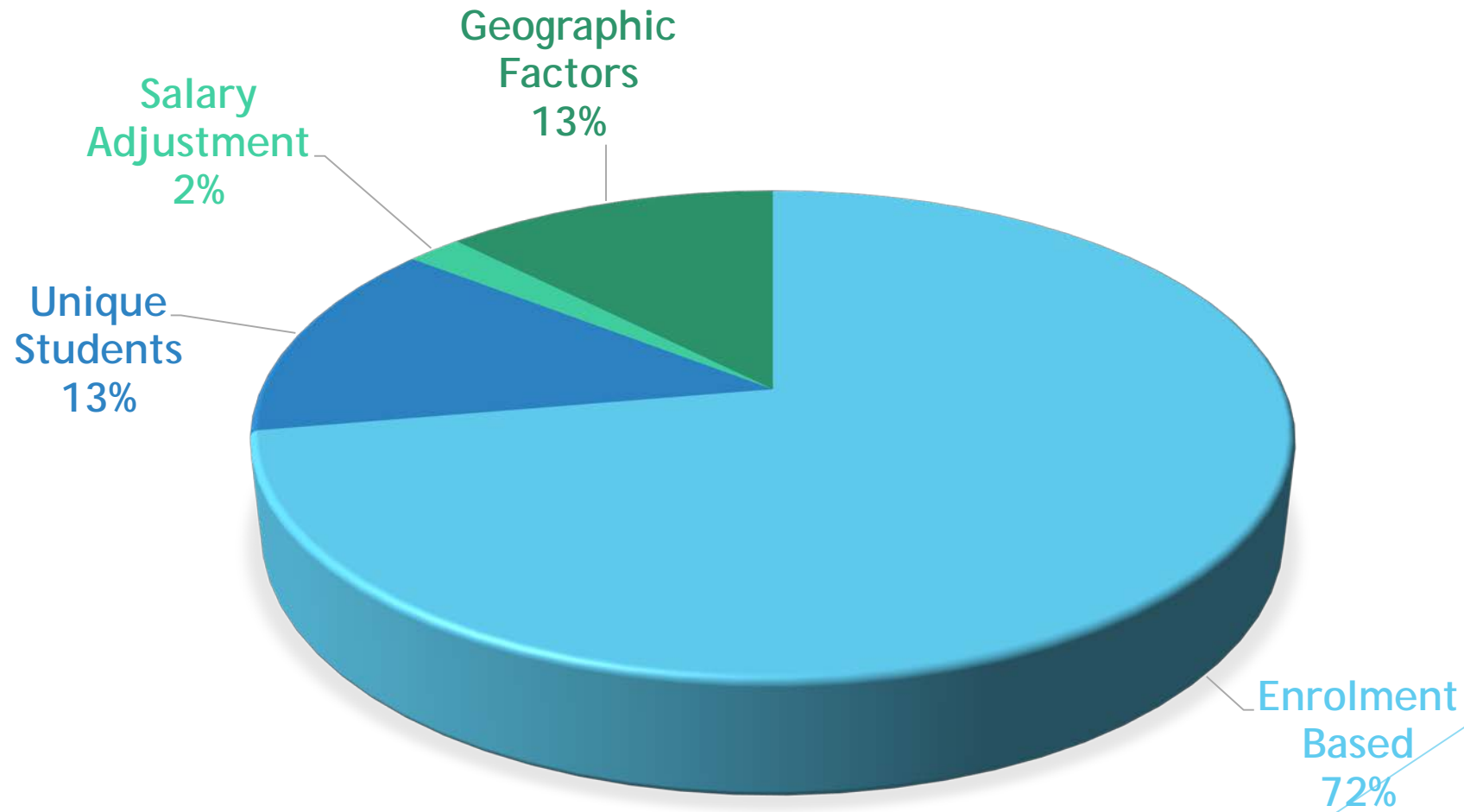
Operating Funds	Special Purpose Funds	Capital Funds
Ministry - Operating Grants	Ministry - Other Grants	Ministry - Capital Grants
Other Sources of Revenue <ul style="list-style-type: none">• Investment income• Rentals and leases	<ul style="list-style-type: none">• Annual Facilities Grant• Learning Improvement Fund• Strong Start• Ready Set Learn• Community Link• French Federal Grant	Local sources of capital <ul style="list-style-type: none">• Sale of assets• Transfers

2017/2018 Operating Grants

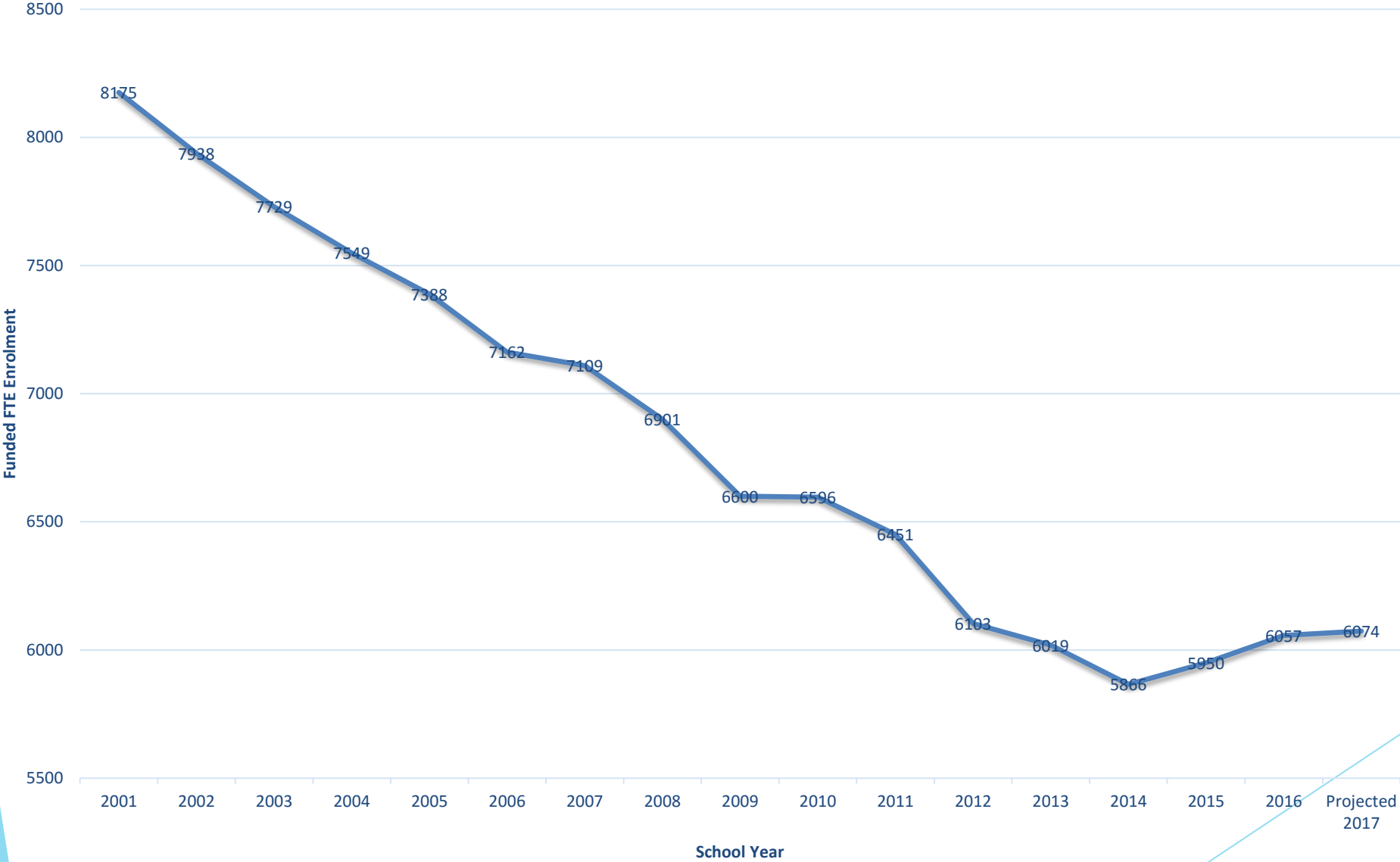
Ministry of Education Funding Allocation System

- ▶ The Ministry of Education establishes the amount of total funding for public education annually and uses a funding formula to allocate these funds to Boards of Education.
- ▶ The funding allocation applies formulae to distribute these funds, recognizing district factors such as:
 - ▶ General enrolment
 - ▶ Unique student needs
 - ▶ Teacher salary differences
 - ▶ Unique geographic factors
 - ▶ Supplements for vulnerable students and the BC Education Plan
 - ▶ Enrolment Decline and Funding Protection

2017/18 FUNDING ALLOCATION



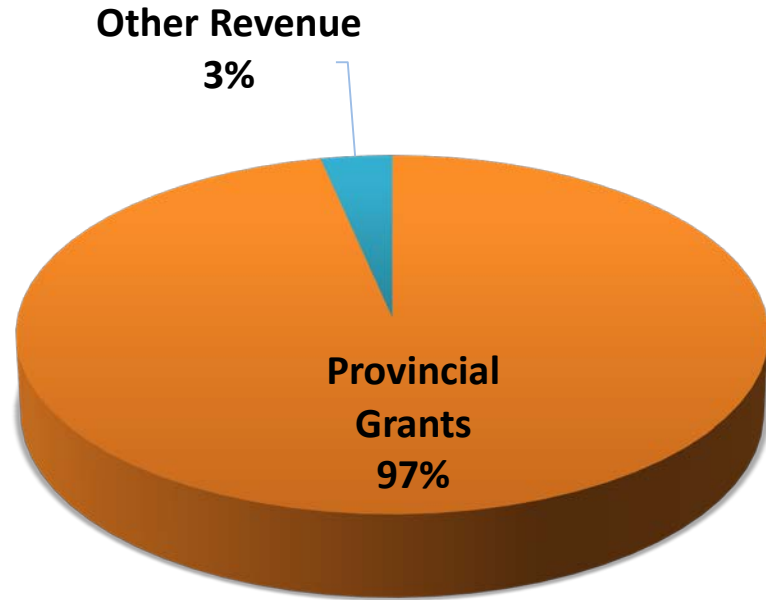
Funded School Age FTE Enrolment by Year



How is the School District funded?

The Operating Fund: Revenues

2016/17 Budgeted Revenues

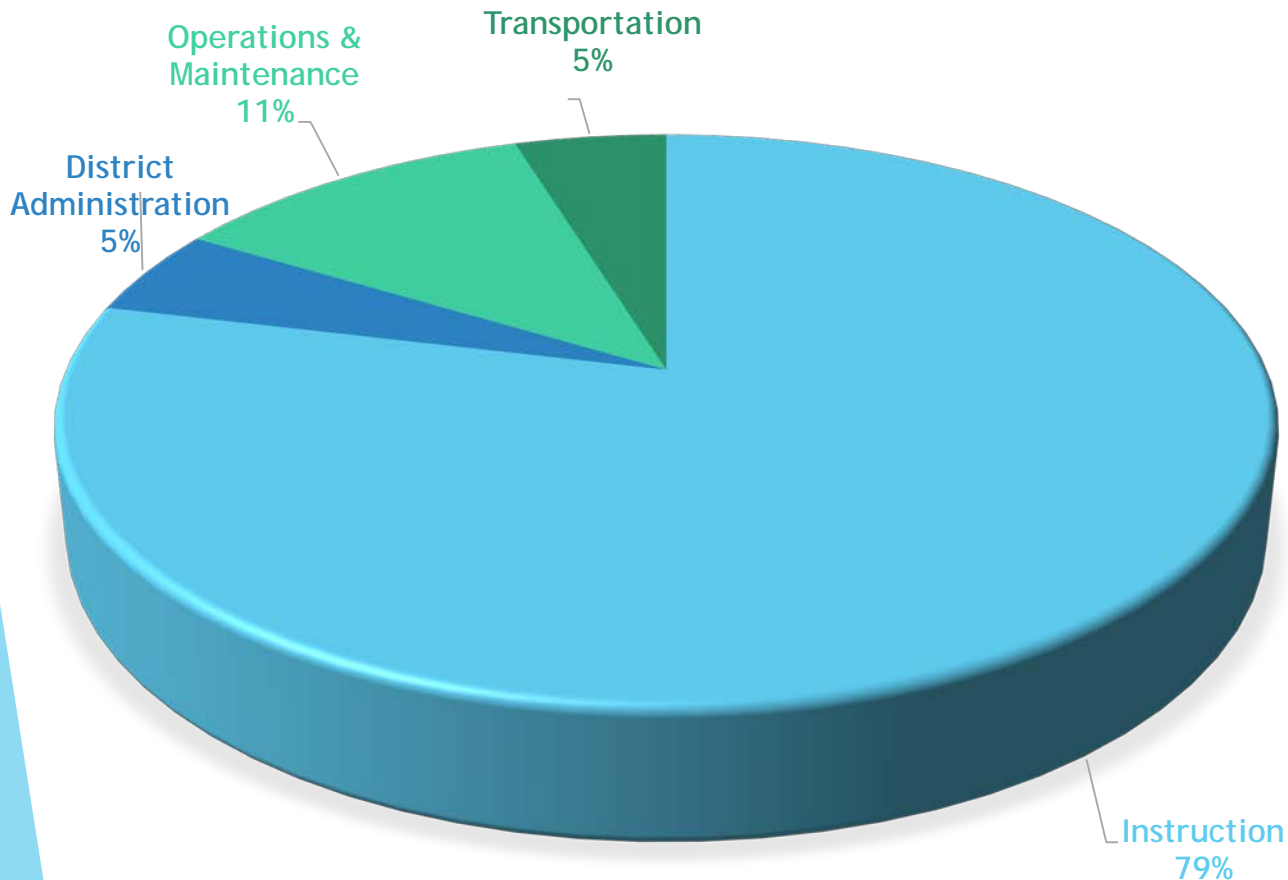


- ▶ Basic funding to the district is provided on a per-pupil basis
- ▶ Every student who registers in the district generates \$7,301 in operating funding that supports all programs in the district
- ▶ SD83 receives an annual operating grant of \$61.4M
- ▶ Other revenue sources include rental and lease income, investment income and miscellaneous revenues.

Where do we spend our money?

The Operating Fund: Expenditures

2016/17 BUDGETED EXPENDITURES

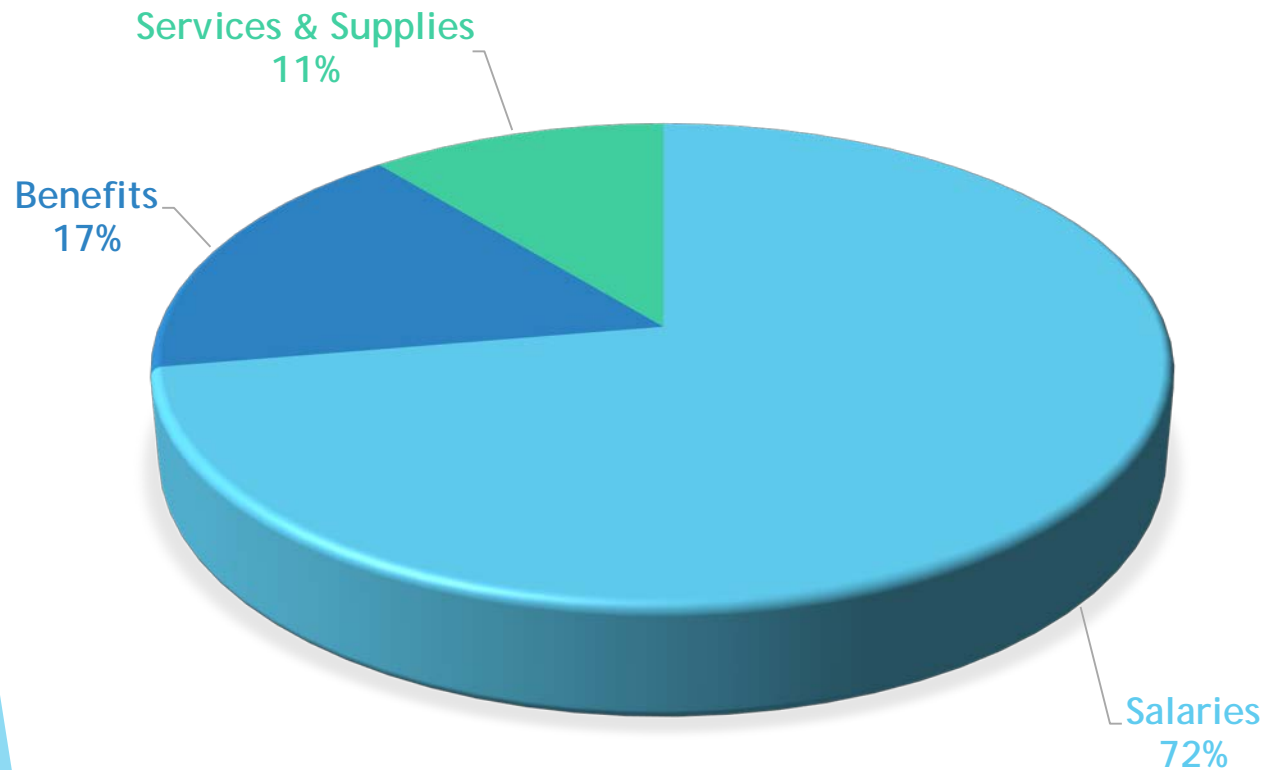


- ▶ Instruction - regular classrooms and instructional support such as Career, English Language Learning, Special Education, and other student support programs.
- ▶ District Administration - human resources, payroll, finance, governance and education leadership.
- ▶ Operations and Maintenance - facility and grounds maintenance, custodial and utilities
- ▶ Transportation - student busing.

Where do we spend our money?

The Operating Fund: Expenditures

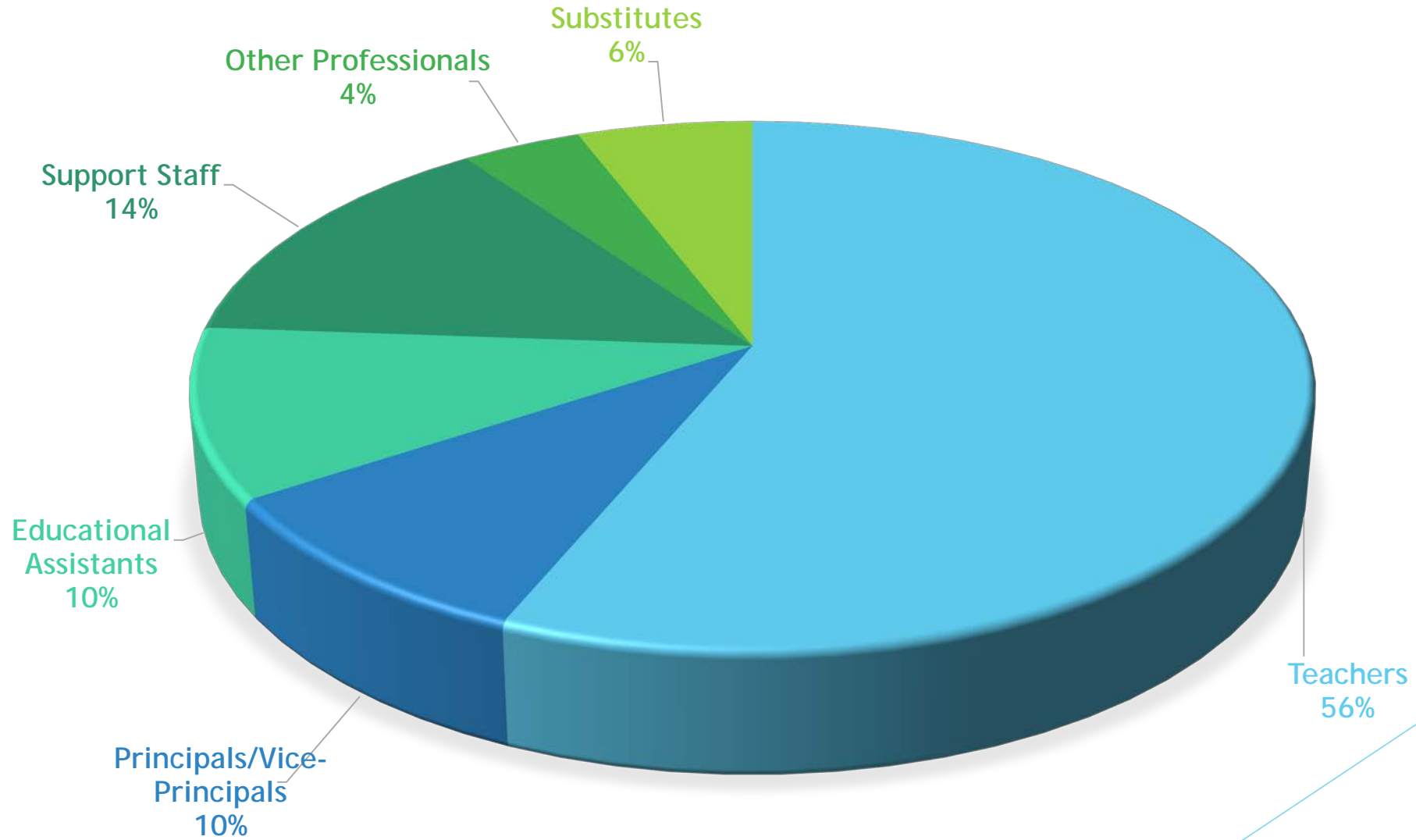
2016/17 BUDGETED EXPENDITURES



Wages and benefits cost the district approximately \$55.7M (89%) of the total budget

Services and supplies, including utilities, cost the district approximately \$6.8M (11%) of the total budget.

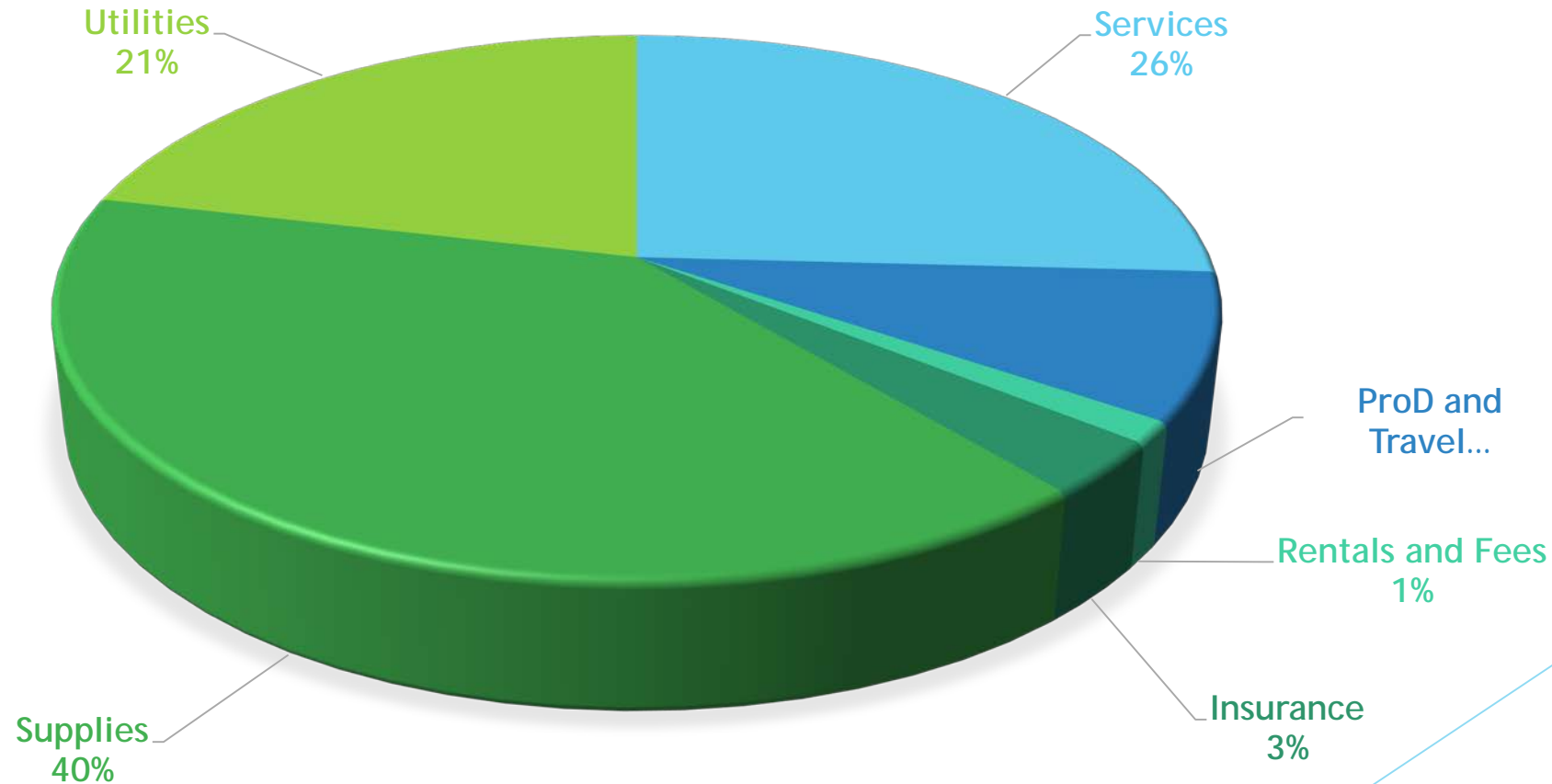
2016/17 BUDGETED SALARIES BY EMPLOYEE GROUP



Where do we spend our money?

The Operating Fund: Expenditures

2016/17 BUDGETED SERVICES AND SUPPLIES



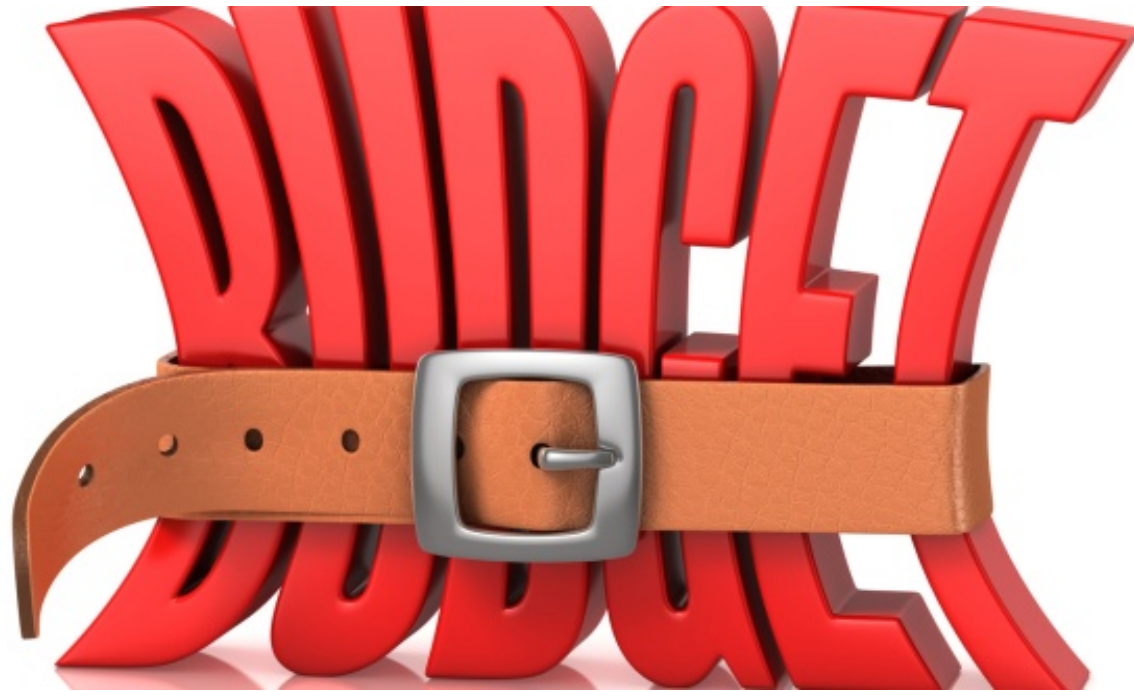
SPECIAL PURPOSE FUNDS

- ▶ Funds received with restrictions on how they can be spent
- ▶ The Ministry of Education provides the district with the following restricted (special purpose) funds:
 - ▶ Annual Facilities Grant (improvement projects, roofing, painting, mechanical upgrades, etc.)
 - ▶ Learning Improvement Fund (additional classroom support)
 - ▶ Community Link (early learning, classroom support, school meals program)
 - ▶ Special Education Equipment grant (lifts, sound field systems, etc.)
 - ▶ Strong Start and Ready Set Learn (early learning)
 - ▶ Federal French grant (core French and French Immersion)

CAPITAL FUNDS

- ▶ Capital funds are used to acquire land, build schools, or do significant renovations on schools
- ▶ Capital funds are not provided on a per pupil basis
- ▶ The district applies to the Ministry of Education for capital funding through our Five Year Capital Plan submission
- ▶ The district needs to make a business case to the Ministry of Education to secure funding for new schools or renovations
- ▶ The district can also generate capital funds by selling assets, including land and buildings

Budget Challenges



School District No. 83

Establishing Our Framework

There are 3 essential questions for our focus when developing budget plans for the coming year:

- What expenditures are we required to make, based on contract, statutory obligations and known fixed costs?;
- What areas are essential for us to resource to as we support identified priorities based on student learning needs?; and,
- What important requests would we like to support if there are available funds during the budget planning time or when we make decisions to distribute any surplus funds after the current year budget is closed?

ESTIMATED OPERATING GRANT 2017/18 School Year

- ▶ Projecting enrolment increases in:
 - ▶ School aged FTE - 17
 - ▶ Special education - 26
 - ▶ Aboriginal education - 36
 - ▶ English as 2nd language - 13
- ▶ Per pupil rate increases to include labour settlement funding
- ▶ Increase in unique geographic factors supplemental grant
- ▶ Rural Education Enhancement Fund

Increase in operating grant 2017/18 - \$1.3M

Why Do We Still Have Budget Challenges? 2017/18 School Year

Cost Pressures - Related to Increased Enrolment

With a slight increase in enrolment, there are cost pressures associated with providing services for these additional students:

- ▶ 1 additional classroom teacher
- ▶ 1 additional Learning Resource Teacher
- ▶ 1 additional Educational Assistant

In the 2017/18 year, these cost pressures amount to approximately \$150,000.

Why Do We Still Have Budget Challenges? 2017/18 School Year

Cost Pressures - Outside of the District's Control

The funding provided from the Ministry of Education does not keep up with the pace of all the cost pressures that school districts are faced with:

- ▶ Negotiated wage increases for teachers and support staff
- ▶ Exempt staff wage increases
- ▶ Benefit premium increases
- ▶ Increased utility rates
- ▶ Regulatory requirements
- ▶ Inflation, etc.

In the 2017/18 year, these cost pressures amount to approximately \$915,000.

Why Do We Still Have Budget Challenges? 2017/18 School Year

Additional Cost Pressures

Districts always have cost pressures that need to be addressed in order for the district to operate effectively and more efficiently, and often districts can identify a number of areas where they can achieve savings or operational efficiencies.

- ▶ Increased technology demands
- ▶ Increased (or decreased) staffing needs
- ▶ Increased training/in-service requirements
- ▶ Increase in legislative/ministry reporting requirements

2017/18 Preliminary Budget Position

\$230,000

More revenues generated than cost pressures

Potential Enhancements

Programs

- ▶ Literacy
- ▶ Numeracy
- ▶ Inclusive Support (ISP)
- ▶ Special Education

Other

- ▶ Technology

Services

- ▶ Increase Educational Assistants hours
- ▶ Facilities Maintenance (increase custodial, mechanic, carpenter, electrician FTE)
- ▶ Increase Business Operations support (additional IT and accounting support)

Classroom Enhancement Fund

**What will the implications be on
the operating budget?**

NEXT STEPS:

Budget Committee Meeting – April 24th

Adopt Annual Budget Bylaw – May 15th

Questions

