

2017-18 Preliminary Budget

Board of Education Meeting
May 2, 2017

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Strategic Plan



STUDENT SUCCESS

- Improve early learning
- Improve student achievement
- Improve graduation success



OPTIMIZED RESOURCES

- Improve fiscal stewardship
- Improve customer service



ENGAGING OPPORTUNITIES

- Improve parent & community engagement
- Improve ethical & innovative use of technology



PROGRESSIVE WORK FORCE

- Achieve excellence in training
- Enhance leadership excellence
- Improve organizational health

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STRATEGIC PLAN | 2016-2020

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Guiding Principles



Guiding Principles

- Maximize the allocation of resources to support the goals & priorities in the Strategic Plan.
- Commit to building a strong understanding of budget information through ongoing communications.
- Maintain a three-year budget plan to ensure funding sources can support program initiatives.
- Maintain surplus/reserve balances to respond to emergent needs.
- Maintain strong fiscal management policies.



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Budget Assumptions



Key Factors Affecting 2017-18 Budget

Operating Fund

- Estimates are based on enrolment projections for September 30th, showing an increase of approximately 140 students.
- Continued support for the Strategic Plan and supporting operational plans.
- Province will fund actual September 30th enrolment at the current published per student rates.
- International student revenues, along with other revenues will remain constant.
- Decrease of \$30,000 in rental revenues.
- Salary increases of \$1.1M for unionized employees are covered by operating grant increases.
- Additional teacher staffing increase totaling \$0.8M to deal with projected enrolment increase.
- No significant changes in overall staffing within the Operating Fund budget.

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Budget Assumptions



Key Factors Affecting 2017-18 Budget

Operating Fund

- Ongoing student accommodation.
- Continued support for IT Plan 2.0 initiatives and increased support to continue management of IT security and privacy.
- Increased costs of exempt salaries to move to the next step in the approved salary grids (\$0.4M)
- Estimates for employee benefits costs remain unchanged.
- Utility costs will remain constant (rate increases, PST phase out, energy management).
- No adjustment for inflationary factors, as increases will be absorbed within existing budgets.
- Budget measures from 2016-17 remain in place. (balanced budget)
- Continued participation in Service Delivery Projects designed to increase system efficiency.

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Budget Assumptions



Major Budget Assumptions

Special Purpose Fund

- The newly created Classroom Enhancement Fund (CEF) will cover all costs related to implementation and maintenance of the restored teacher Collective Agreement provisions from 2002.
- Estimates for the CEF, for Collective Agreement compliance and the resulting increased teacher costs, are based on the District's estimates of "best efforts" to achieve compliance.
- Increased exempt salary costs from CEF Overhead allocation to cover increased administrative costs for managing restoration of the 2002 Collective Agreement provisions.
- Learning Improvement Fund (LIF) continues for support staff.

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Emerging Issues & Budget Pressures



Emerging Issues & Budget Challenges

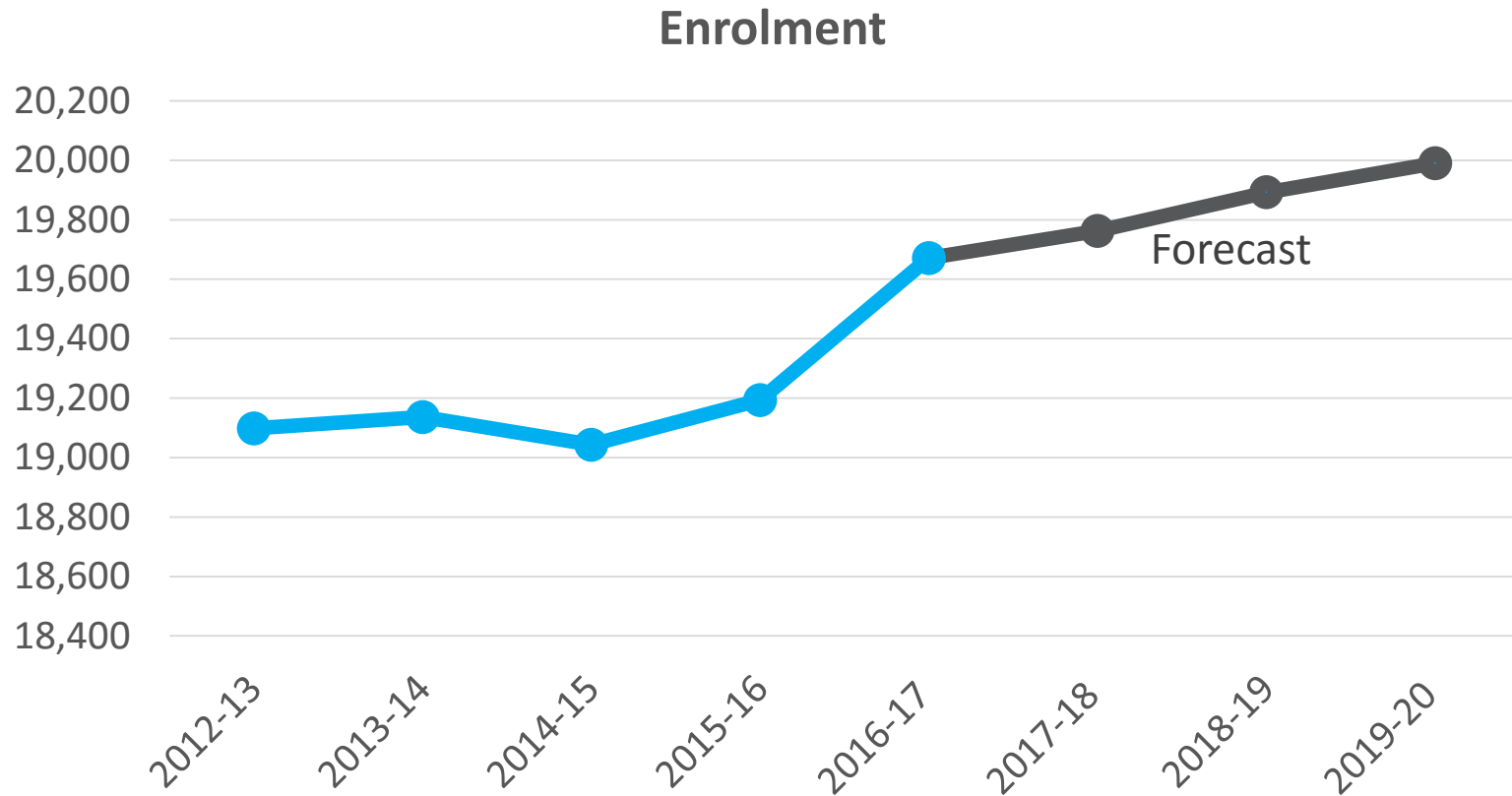
- Facility improvements to support increased classrooms
- Staffing changes/shortages
- Technology costs related to improved data protection & security
- Increased administrative costs for management and oversight of 2002 Collective Agreement provisions.



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Enrolments



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Current Year Forecast



Operating Fund Budget (millions)	2016-17 Budget	2016-17 Forecast
REVENUE		
Provincial Grants	170.05	170.06
Tuition	5.55	5.97
Other Revenue	2.18	3.07
Total Revenue	177.78	179.10
EXPENSE		
Total Salaries	125.83	124.61
Employee Benefits	32.07	31.08
Total Salary & Benefits	157.90	155.69
Services & Supplies	20.67	22.08
Total Expense	178.56	177.77
Net Revenue (Expense)	-0.78	1.33
Total Interfund Transfers	-0.12	-0.12
Surplus (Deficit) for Year	-0.91	1.21

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Budget Estimates



- **Strategic Initiatives (Operating)**
 - Planned for coming year \$250,000 (previously approved)
 - RHSS School Project - \$100,000
 - Innovation Centre (Explozone) - \$150,000
 - Renewed 3 year commitments:
 - Board Funded StrongStarts (\$80,000/yr - \$240,000)
 - Internal Pay Equity (\$300,000/yr - \$900,000)
 - Initiatives for 2017-18:
 - Learning Commons – Facility improvements at 15 sites (\$300,000)
 - Future Science Leaders Program - \$5,000 yr1, \$7,000 yr2

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Budget Estimates



- **Other Budget Changes**

- Classroom Enhancement Fund (CEF)
 - Approximately 50 additional teacher FTE (\$4.8M)
 - Estimated remedy costs (\$1.0M)
 - Existing teachers allocated to CEF (\$2.8M)
- Overhead cost estimates (CEF)
 - Additional staffing in HR/SBO/Finance Departments (\$0.48M)
 - New classroom setup 35 classrooms \$6,000/classroom (\$0.21M)
 - Operational costs (\$0.27M)
- Other Items related to Collective Agreement changes
 - 2 portables (AFG)
 - Request for 12 portables from MOE
 - Reduced Rental Revenue from loss of up to 5 Pre-Schools (-\$30,000)

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Budget Estimates



Operating Fund Budget (millions)	2016-17 Budget	2016-17 Forecast	2017-18 Budget
REVENUE			
Provincial Grants	170.05	170.06	173.90
Tuition	5.55	5.97	5.55
Other Revenue	2.18	3.07	2.68
Total Revenue	177.78	179.10	182.13
EXPENSE			
Total Salaries	125.83	124.61	128.69
Employee Benefits	32.07	31.08	33.12
Total Salary & Benefits	157.90	155.69	161.81
Services & Supplies	20.67	22.08	21.28
Total Expense	178.56	177.77	183.09
Net Revenue (Expense)	-0.78	1.33	-0.96
Total Interfund Transfers	-0.12	-0.12	-
Surplus (Deficit) for Year	-0.91	1.21	-0.96

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Special Purpose Fund



Special Purpose Fund	2016-17 Budget	2017-18 Budget	Change
REVENUE			
Provincial Grants	6.49	12.90	6.41
Other Revenue	5.92	5.80	-0.12
Total Revenue	12.41	18.70	6.29
EXPENSE			
Teachers	2.30	6.95	4.65
Principals & Vice-Principals	0.01	0.14	0.12
Education Assistants	1.28	1.20	-0.09
Support Staff	0.27	0.35	0.08
Other Professionals	0.10	0.21	0.11
Substitutes	0.05	0.01	-0.03
Total Salaries	4.01	8.87	4.85
Employee Benefits	0.92	2.22	1.29
Total Salary & Benefits	4.94	11.08	6.14
Services & Supplies	7.47	7.62	0.15
Total Expense	12.41	18.70	6.29
Net Revenue (Expense)	-	-	

Special Purpose Fund

- Classroom Enhancement
- Learning Improvement Fund
- Strong Starts
- Community Link
- Ready Set Learn
- Annual Facility Grant
- School Generated Funds
- Other funding with restricted use.

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Classroom Enhancement Fund



- **Classroom Enhancement Fund (CEF)**
 - Reported in “Special Purpose Fund”
 - Used to cover costs associated with implementing the class size and composition provisions from the 2002 Teacher Collective Agreement.
 - FTE Teachers - \$8,650,888
 - Overhead allocation - \$960,473
 - MOA between Provincial Government and BCTF
 - Broadly outlines how to implement the 2002 restored language.
 - Some changes to allow for restoration within the current educational context.

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Classroom Enhancement Fund



Classroom Enhancement Fund Budget (millions)	2016-17 LIF	2017-18 CEF	2017-18 LIF
REVENUE			
Provincial Grants	3.39	9.61	0.69
Total Revenue	3.39	9.61	0.69
EXPENSE			
Teachers	2.11	6.87	
Principals/VP's		0.13	
Education Assistants	0.68		0.59
Support Staff		0.08	
Other Professionals		0.17	
Total Salaries	2.79	7.25	0.59
Employee Benefits	0.60	1.84	0.10
Total Salary & Benefits	3.39	9.08	0.69
Services & Supplies		0.53	
Total Expense	3.39	9.61	0.69
Net Revenue (Expense)	-	-	-

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- Implementation of 2002 Teacher Collective Agreement Provisions – Class Size & Composition

	2002		2016	
	Class Size	Composition	Class Size	Composition
K	20	HI/LI – Max – 3 students with special needs. May be exceeded by 1 with agreement of teacher & SBT	22	Set by District
1-3	22		24	
4-12	30		30	
SCSE	10/15		set by District	set by District
Non-enrolling		District ratios for non-enrolling teachers (ie. Librarians, counsellors, etc)	set by District	

- **Compliance Provisions**

- District to make “best efforts” to achieve full compliance with the CA provisions regarding class size & composition.
 - Follow provisions addressing “minimum” class size
 - Consideration of boundary changes or forced catchment changes – notice period too short this year.
 - Additional instructional spaces:
 - 2 additional portables ordered by SD (Local capital), & 12 requested from MOE.
 - Re-capture rented instructional spaces (Rentals to Pre-schools/Before & After school programs).
 - Potentially cancel 5 rental agreements & relocate 1 StrongStart
- Remedies available for “non-compliance”.
 - Additional prep time, additional teachers
 - Formula based on # of students over maximum.

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Budget Status



- **Budget Status**

- Revenue estimates & enrolment projections are complete.
- Expenditure estimates:
 - Currently confirming budget estimates:
 - Enrolling teachers
 - Non-enrolling teachers
- Completing report of the estimated staffing requirements to Ministry.
- **Budget approval - May 30th Board Meeting**