

# SCHOOL DISTRICT NO. 83

## (NORTH OKANAGAN-SHUSWAP)

### 2019-2020 PRELIMINARY ANNUAL BUDGET

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# ANNUAL BUDGET - REGULATION

- As per Section 110 of the School Act:
  - (2) boards must prepare an annual budget in the form and containing the content specified by the minister;
  - (3) Estimated expenditures and the annual budget must not exceed estimated revenues.
- An annual budget must also be prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act and Financial Administration Act of the Province of British Columbia.

# 2019-2020 Sources of Revenues

| Operating Funds  | Special Purpose Funds  | Capital Funds   |
|--|--|---|
| <b>Ministry of Education</b><br>Operating Grant Block <ul style="list-style-type: none"> <li>• Base per Student Allocation</li> <li>• Unique Student</li> <li>• Unique District</li> <li>• Funding Protection/Enrolment Decline</li> </ul> Pay Equity<br>Employer Health Tax<br>Student Transportation Fund<br>Other Miscellaneous Grants<br><br><b>Local Sources of Revenues</b><br>Other Provincial Grants<br>Investment income<br>Rentals and Leases<br>Tuition Fees and Other Revenues | <b>Ministry of Education</b><br>Classroom Enhancement Fund<br>Learning Improvement Fund<br>Community LINK<br>Annual Facility Grant <small>(Operating portion)</small><br>Rural Education Enhancement Fund<br>StrongStart<br>Ready Set Learn<br>French Federal Grant (OLEP) | <b>Ministry of Education</b><br>Annual Facilities Grant <small>(Capital portion)</small><br>Seismic Mitigation<br>Building Expansion<br>Building Replacement<br>Bus Replacement<br>School Enhancement,<br>Carbon Neutral Capital Plan<br>Playground Equipment Funding<br><br><b>Local Capital Reserves</b><br>Sale of assets<br>Operating Surpluses |

# What are Special Purpose Funds?

- Special Purpose Funds are grants provided by the Ministry of Education or other sources that have been designated for specific purposes.
- These funds are intended to be spent within the year they are provided.
- Any unspent special purpose funds must be held in trust and be shown as unspent deferred revenues on our year end financial statements.

# 2019-2020 Special Purpose Funds

|                                  |              |   |
|----------------------------------|--------------|---|
| Classroom Enhancement Fund       | \$ 4,850,167 | restored class size/composition language w/in teachers CA           |
| Learning Improvement Fund        | \$ 253,615   | to assist Boards in addressing class size and composition           |
| Community LINK                   | \$ 320,270   | to provide services for at-risk children and youth                  |
| Annual Facilities Grant          | \$ 342,430   | to maintain facility assets through their anticipated economic life |
| Rural Education Enhancement Fund | \$ 213,353   | preserving schools in small rural communities                       |
| StrongStart                      | \$ 192,000   | pre-K; early learning experience for children and their families    |
| Ready Set Learn                  | \$ 39,200    | pre-K; facilitate partnerships between schools and community        |
| French Federal Grant             | \$ 118,213   | funding for French language instruction                             |

# What are Capital Funds?

## ➤ MOE Capital Funds

- provided to acquire land or buses, build schools, or to fund significant renovations or expansions to existing schools (+\$2M)
- allocated based on the District's 5-Year Capital Plan Submission, which is adopted by the Board and submitted to the Ministry prior to June 30 each fiscal year
- additional grants recently reinstated for school playgrounds; provided by application

## ➤ Local Capital Reserves

- proceeds from asset disposal
- generated through Board approved transfers of operating surplus

# 2019-2020 MoE Capital Funds

|                         |              |   |
|-------------------------|--------------|---|
| Annual Facilities Grant | \$ 1,340,831 | to maintain facility assets through their anticipated economic life   |
| Minor Capital Projects  | \$ 699,000   | DDC Controller Upgrade Parkview, Mechanical Upgrades HVAC Eagle River |
| Playground Equipment    | \$ 90,000    | Len Wood Middle School  |
| Buses                   | \$ 415,827   | 3 X C76   |

# Operating Funds

- Boards hold autonomy and responsibility to allocate operating funds as they deem appropriate within their individual districts.
- Operating Grant calculations\* are based on the district's forecasted student enrollment, and were announced by the Ministry of Education on March 15, 2019.
- Other operating grant projections are high-level estimates, and based on historical information and known or anticipated changes expected in the future.

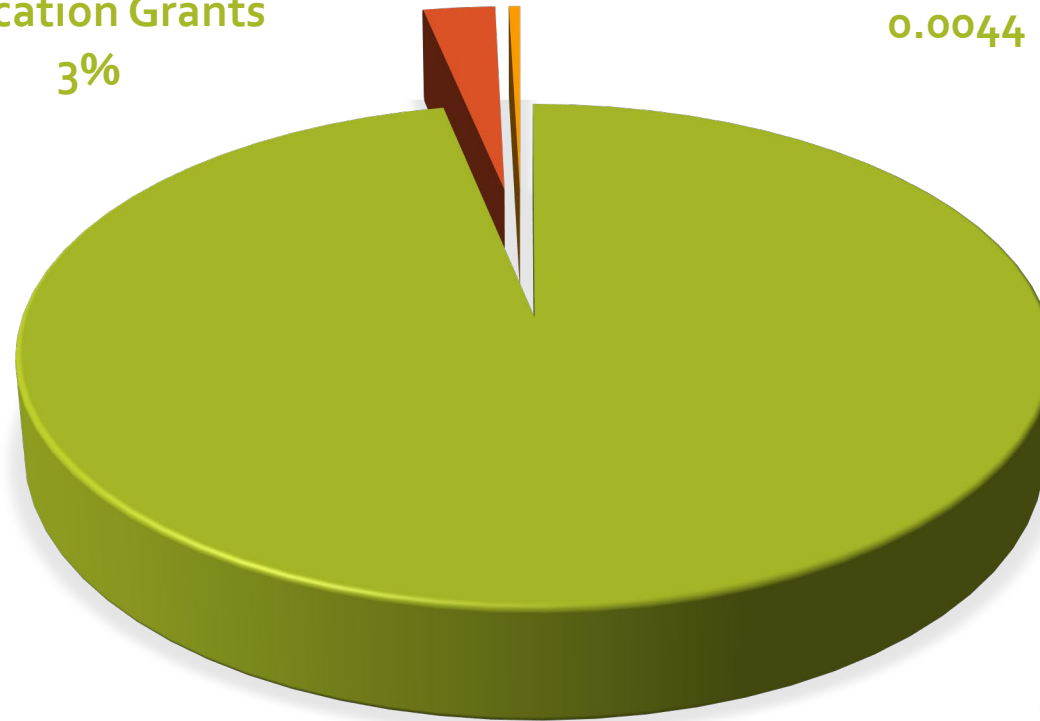
*\*It should be noted that a review of the Ministry of Education Funding Formula model is currently underway, and a new funding formula is expected to be implemented effective 2020-2021.*



# 2018-2019 Operating Fund Revenues % by Source

Other Ministry of  
Education Grants  
3%

All Other Sources  
0.0044



Operating Grant, Ministry of  
Education  
97%

# 2019-2020 Preliminary MoE Base Operating Grant

| <b>FUNDING CATEGORY</b> (in \$1,000s)       | <b>2018-2019</b><br>Interim | <b>2019-2020</b><br>Preliminary | <b>Change from</b><br><b>18-19 Interim</b> |
|---|-----------------------------|---------------------------------|--|
| <b>FTE September Enrollment</b>             | 6,364.0334                  | 6,379.0000                      | 14.9666                                    |
| <b>Enrollment Based Funding</b>             | 47,225.01                   | 47,621.34                       | 396  |
| <b>Special Education</b>                    | 7,967                       | 8,150.40                        | 183  |
| <b>Dist Ed Enrollment Based</b>             | 198.66                      | 148.43                          | (50)                                       |
| <b>Special Needs Growth</b>                 | 189                         | 96                              | (93)                                       |
| <b>English Language Learning</b>            | 65                          | 67                              | 2  |
| <b>Aboriginal Education</b>                 | 1,417                       | 1,682                           | 265  |
| <b>Adult Education</b>                      | 5                           | 5                               | 0  |
| <b>Salary Differential</b>                  | 1,160                       | 1,187                           | 27   |
| <b>Unique Geographical Factor</b>           | 7,684                       | 8,223                           | 539  |
| <b>Vulnerable Students</b>                  | 278                         | 278                             | -  |
| <b>Curriculum and Learning Support Fund</b> | 123                         | 127                             | 4  |
| <b>TOTAL</b>                                | <b>66,312</b>               | <b>67,585</b>                   | <b>1,273</b>                               |

## 2019-2020 Other Operating Funds

| <b>Revenue Source</b> (in \$1,000s) | <b>2018-2019</b> | <b>2019-2020</b> | <b>Change</b> |
|-------------------------------------|------------------|------------------|---------------|
| <b>Other MoE Grants</b>             | 1,467            | 1,946            | 478           |
| <b>Provincial Grants - Other</b>    | 206              | 211              | 5             |
| <b>Offshore Tuition Fees</b>        | 5                |                  | (5)           |
| <b>Miscellaneous</b>                | 11               | 10               | (1)           |
| <b>Rentals and Leases</b>           | 120              | 95               | (25)          |
| <b>Investment Income</b>            | 100              | 120              | 20            |
| <b>TOTAL</b>                        | <b>1,909</b>     | <b>2,382</b>     | <b>473</b>    |

# 2019-2020 Total Available Funding

| <b>SOURCE</b> (in \$1,000s)                | <b>2018-2019</b> | <b>2019-2020</b> | <b>Change</b> |
|--|------------------|------------------|---------------|
| <b>Revenues:</b>                           |                  |                  |               |
| MoE Base Operating Grant                   | 66,312           | 67,585           | 1,273         |
| Other Operating Funds                      | 1,909            | 2,382            | 473           |
| Transfer to Local Capital                  | (700)            | -                | 700           |
| <b>Total Additional Revenues Available</b> | <b>67,520</b>    | <b>69,966</b>    | <b>2,446</b>  |

# Budget Development Committee

## TERMS OF REFERENCE

### Purpose

1. To advise the Board of Education on the allocation of the operating budget to various programs and services to best meet our student needs within variable revenues;
2. To provide the Board of Education with representative advice on budget issues and implications of proposed changes;
3. To provide advice on new priorities and emerging opportunities, and to review past budget adjustments;
4. To provide a forum for open communication and understanding of the budget;
5. To assist in the effective and transparent communication regarding the school district's financial issues and decisions.

### Membership

- Chair, appointed Trustee
- Senior Leadership Team
- Director of Finance
- Director of Operations
- Two representatives each from NOSPVPA, NOSTA, CUPE, DPAC, and FNEC
- Two student representatives

### 2019-20 BUDGET GUIDING PRINCIPLES

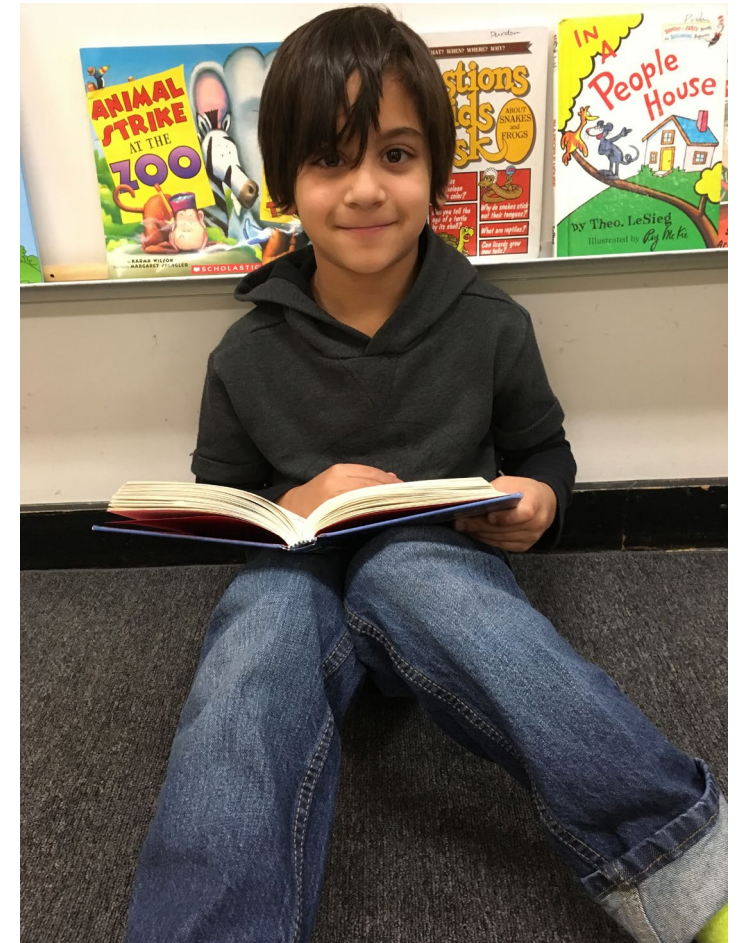
In its development and approval of the school district budget, the Board shall ensure that the district's Strategic Plan and the priority given to support all students shall be central in budget decisions.



# Budget Development Timeline

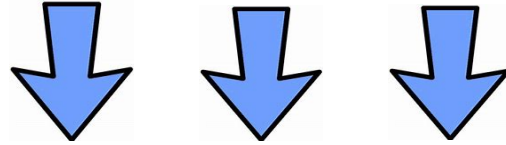
## 2019-20 PRELIMINARY ANNUAL BUDGET TIMELINE / PROCESS **\*REVISED\***

- |                   |  |
|-------------------|--|
| March 6 (Wed)     | Budget Committee Meeting - 4:30-5:30pm<br><i>Committee reviews Terms of Reference, timeline/process, guiding principles and District's Strategic Plan, and discusses information gathering processes.</i>  |
| April 1 (Monday)  | "Talking Tables 2019" - 5:30-8:30pm (dinner provided)<br><i>Opportunity for trustees to hear directly from the field; facilitated interactive group discussion around key educational topics/issues; to ensure priorities are established prior to determining where budgets are allocated; opportunity for partner groups to present and share values and perspectives directly with trustees and The Senior Leadership Team.</i> |
| April 2 (Tuesday) | Budget Committee Meeting - 3:00-4:00pm<br><i>Discuss and consider the implications of the Preliminary Operating Grant Announcement and any potential budget shortfall or enhancement.</i>  |
| April 10 (Wed)    | Budget Committee Meeting - full day session - 8:30am-4:00pm<br><i>Department budget presentations.</i>   |
| April 17 (Wed)    | Budget Committee Meeting – 8:00am-12:00pm<br><i>Continuation of Department budget presentations.</i>   |
| April 24 (Wed)    | Budget Committee Meeting – 1:00-4:00pm<br><i>Follow up from department budget presentations.</i>   |
| May 1 (Wed)       | Public Budget Consultation Meeting - 6:00pm<br><i>Budget consultation meeting for both school communities and the public.</i>  |
| May 7 (Tuesday)   | Budget Committee Meeting – 1:00-4:00pm<br><i>To consider input from Public Budget Consultation meeting, Partner Group feedback, and develop preliminary balancing options.</i>   |





# School District No. 83 Strategic Plan Goals



**\$\$ BUDGET \$\$**



- **STUDENTS FIRST**

Student success is our priority every day.

- **CULTURE OF HEALTH AND WELLNESS**

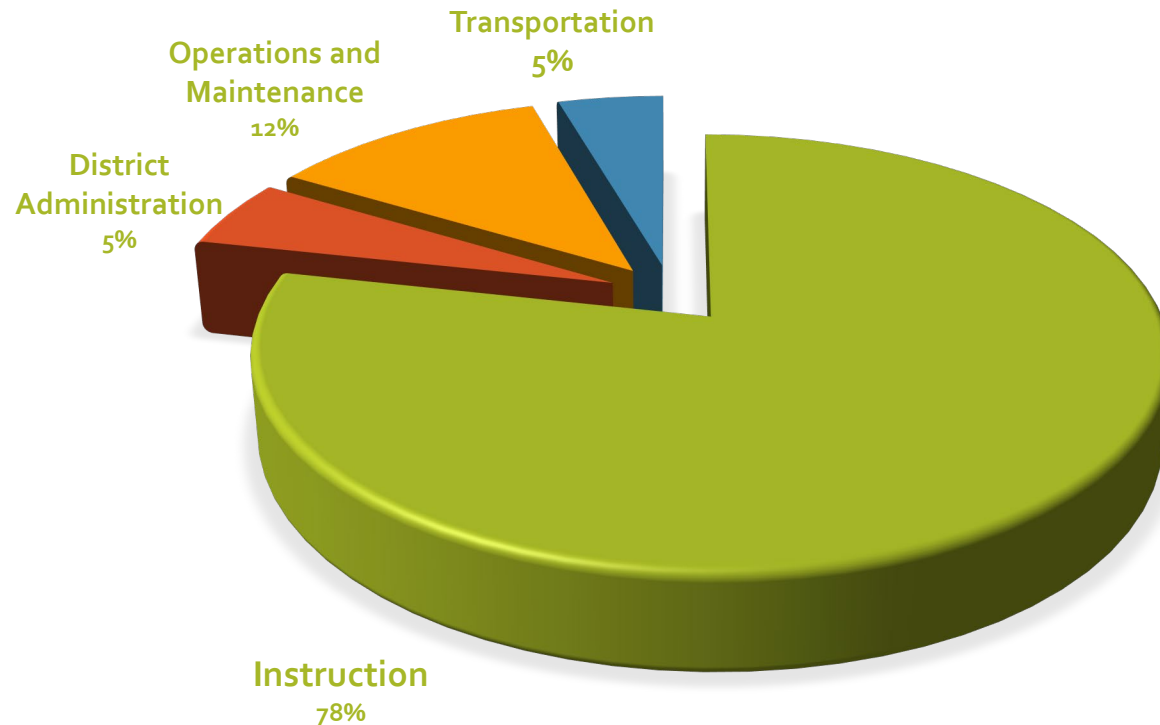
Students and staff are healthy,  
and connected to the learning community.

- **ORGANIZATIONAL EFFICIENCY**

Decisions and actions are clear, purposeful and reasonable.

# How have we allocated our operating funds by function?

## 2018-19 BUDGETED EXPENDITURES

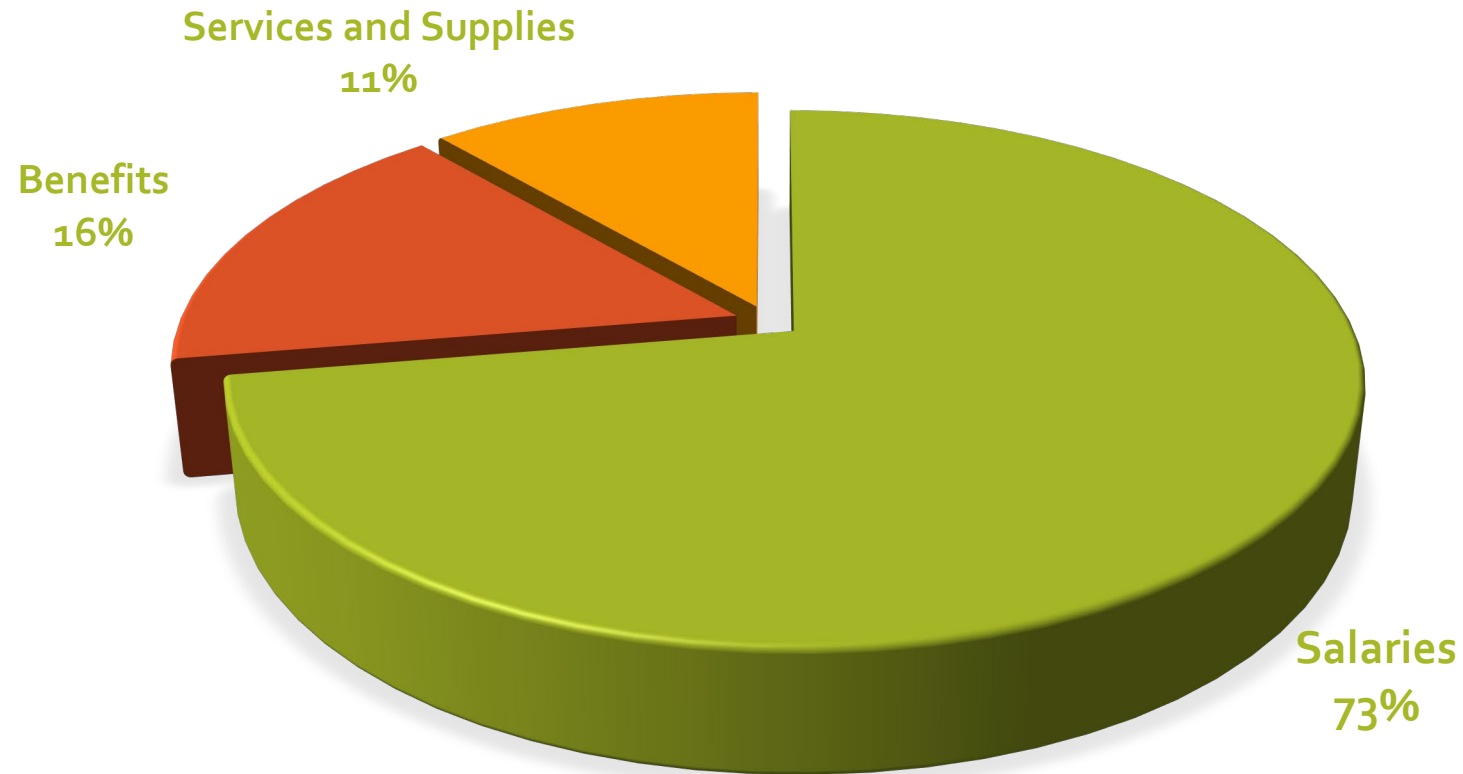


- **Instruction** – regular classrooms and instructional support including Career Programs, English Language Learning, Special Education, and other student support programs
- **District Administration** – human resources, payroll, finance, governance and educational leadership
- **Operations and Maintenance** – facility and grounds maintenance and administration, custodial services and utilities
- **Transportation** – student busing



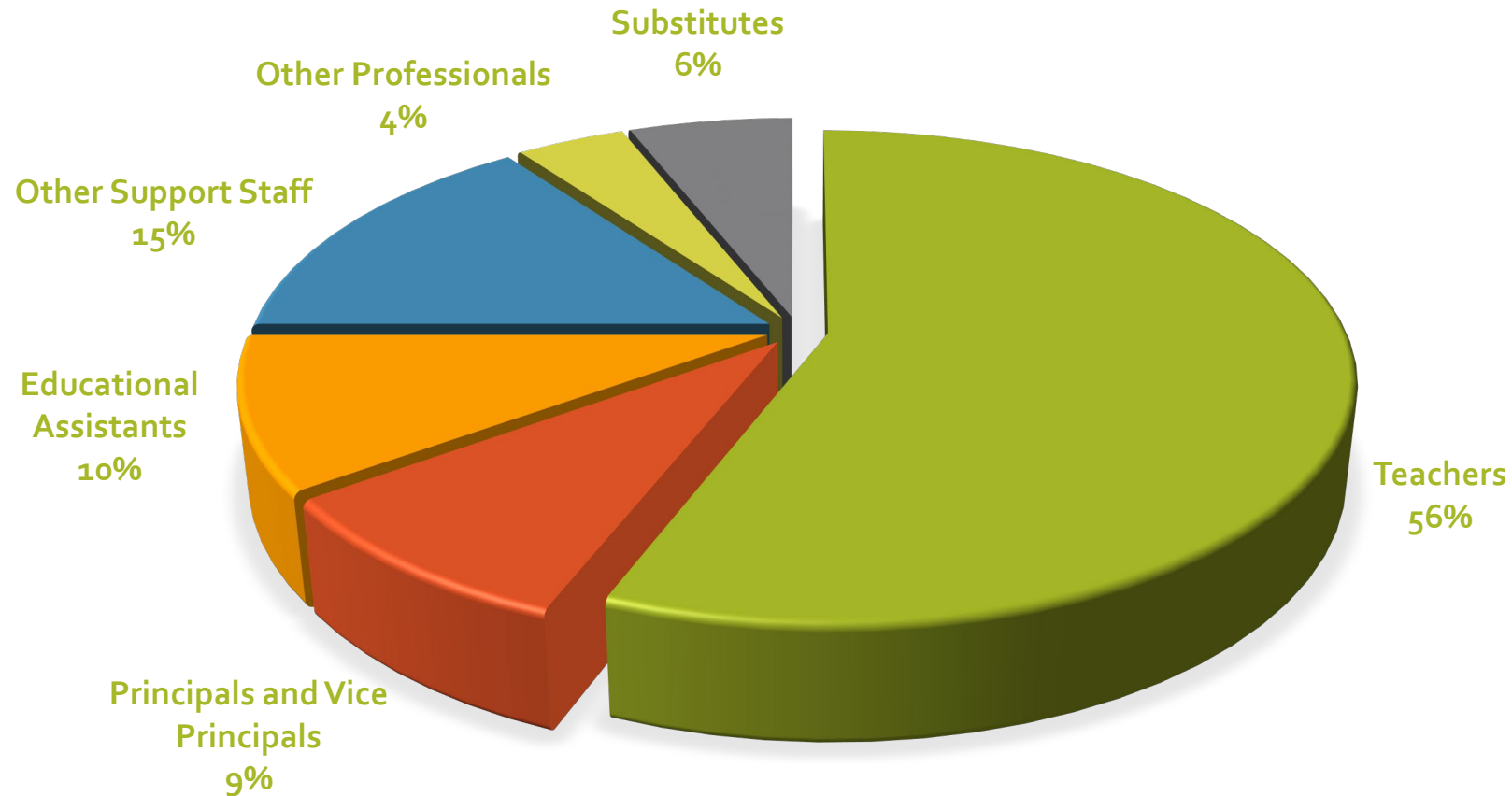
# How have we allocated our operating funds by expense?

## 2018-19 BUDGETED EXPENDITURES



# How have we allocated our operating funds by employee group?

## 2018-19 BUDGETED EXPENDITURES



# 2019-2020 Known Cost Pressures

| <b><u>FUNDED</u></b> (in \$1,000s) |                     |  |
|------------------------------------|---------------------|--|
| Increased Teacher Staffing         | 238                 | 2.5 FTE increased student FTE and 100 to 110 min elem prep time          |
| Teacher Wages                      | 479                 | 1.75% GWI & ESD May 2019   |
| Support Staff Wages                | 216                 | 1.75% GWI & ESD May 2019   |
| Employer Health Tax                | 480                 | 1.95 % gross salaries  |
| Classroom Furniture                | 60                  | incr student enrollment - classroom chairs/desks - Highland Park/Jackson |
|                                    | <b><u>1,473</u></b> |  |

# 2019-2020 Known Cost Pressures

| <b><u>UNFUNDED (in \$1,000s)</u></b> |            |  |
|--------------------------------------|------------|--|
| Support Staff EHB/Dental             | 60         | increased premium based on usage                                   |
| Principals/Vice Principals           | 323        | 1.75% GWI & ESD + 2% anticipated wage increase 2019-20             |
| Excluded Staff                       | 76         | 1.75% GWI & ESD + 2% anticipated wage increase 2019-20             |
| WCB                                  | 42         | rate increase from .63 to .79 effective January 1, 2019            |
| MyEdBC implementation                | 200        | salaries, replacement and software costs; as approved by the Board |
| School Fees                          | 120        | change in regulation; additional supplies provision to schools     |
| Storefront and Portable Lease        | 26         | DAC Storefront and space rental for chairs/tables for schools      |
| Trustee Remuneration                 | 26         | full year cost   |
| General Increases                    | 114        | general inflation; 1.5 % over-all for services and supplies        |
|                                      | <b>987</b> |  |

# 2019-2020 Recognized Cost Savings

(in \$1,000s)

|                                  |                |  |
|----------------------------------|----------------|--|
| Teacher and Municipal Pension    | (320)          | reduction fr 13.23 to 11.30% and 9.98 to 9.71% January 1, 2019     |
| MSP Premiums                     | (116)          | end January 1, 2020; replaced with EHT                             |
| Certified Educational Assistants | (146)          | reduction 140 hrs/wk due to decline in # special needs students    |
| Reduction in Career Ed Programs  | (106)          | due to decline in program offering; reinstate in subsequent years  |
| Software Licencing and Training  | (130)          | transitions costs to introduce new accounting software             |
| MyBudget File                    | (12)           | no longer using software; replaced with Excel                      |
| Trustee Election                 | (40)           | every 4 years; 2022-23   |
| Maintenance Salaries to AFG      | (250)          | in-house project work planned                                      |
| Utilities                        | (60)           | avoid hydro, water/sewer and carbon tax increases - Energy Manager |
|                                  | <b>(1,180)</b> |  |

# 2019-2020 Net Available Funding

| SOURCE (in \$1,000s)                            | 2018-2019     | 2019-2020     | Change       |
|---|---------------|---------------|--------------|
| <b>Revenues:</b>                                |               |               |              |
| MoE Base Operating Grant                        | 66,312        | 67,585        | 1,273        |
| Other Operating Funds                           | 1,909         | 2,382         | 473          |
| Transfer to Local Capital                       | (700)         | -             | 700          |
| <b>Total Additional Revenues Available</b>      | <b>67,520</b> | <b>69,966</b> | <b>2,446</b> |
| <b>2019-2020 Additional Expenses/(Savings):</b> |               |               |              |
| FUNDED Known Cost Pressures                     |               |               | 1,473        |
| UNFUNDED Known Cost Pressures                   |               |               | 987          |
| Recognized Cost Savings                         |               |               | (1,180)      |
| <b>Total Additional Expenses</b>                |               |               | <b>1,281</b> |
|   |               |               |              |
| <b>Discretionary Funds Available</b>            |               |               | <b>1,166</b> |

# 2019-2020 “Students First” Priorities

(in \$1,000s)

|   |     |  |
|---|-----|--|
| Inclusive Education - Teacher Staffing    | 29  | reduce SOGI .2FTE, incr ISP .4FTE, incr vision .1FTE |
| Inclusive Education Services - Counsellor | 66  | .7 FTE counsellor                                    |
| Numeracy Teacher                          | 57  | .6 FTE   |
| District Principal - Numeracy             | 83  | .6 FTE plus, Pro-D and other                         |
| Literacy Intervention Teacher             | 57  | .6 FTE   |
| ILT/Numeracy TTOC time                    | 60  | release time for Pro-D initiatives and training      |
| Ed Tech Teacher                           | 57  | .6 FTE   |
| Insight Data Tracking                     | 20  | student data tracking software system                |
|   | 429 |  |

# 2019-2020 “Health and Wellness” Priorities

(in \$1,000s)

|                                   |     |  |
|-----------------------------------|-----|--|
| Manager of Facilities and Grounds | 106 | reinstate position vacated summer 2018                   |
| Bus Safety Campaign               | 20  | to highlight safety awareness and avoid future accidents |
| DPAC Funding Request              | 5   | as per DPAC request                                      |
|                                   | 131 |  |



# 2019-2020 “Organizational Efficiency” Priorities

(in \$1,000s)

|                                     |     |   |
|-------------------------------------|-----|---|
| District Vice Principal - Music     | 33  | .4 to .6 FTE plus admin bump, Pro-D and other         |
| Energy Manager                      | 112 | corresponding cost reduction in utilities (\$150K)    |
| New Teacher/Admin Induction Program | 27  | recruitment and retention initiative                  |
| Summer Grounds Casual Labour        | 23  | field maint, tree removal, sweeping, & drain cleaning |
| Computer Refresh                    | 250 | support for 4-year district-wide refresh plan         |
| Refresh Maint Dpt Shop Tools        | 20  | ensure equipment is regularly upgraded/replaced       |
| Refresh Custodial Equipment         | 18  | ensure equipment is regularly upgraded/replaced       |
| Shop Audit - Action Plan            | 50  | as per audit report; on-going upgrading               |
| White Fleet (ongoing refresh)       | 73  | ensure staff safety; avoid increased R&M costs        |
|                                     | 605 |   |

# 2019-2020 Preliminary Operating Budget Summary

| <b>SOURCE</b> (in \$1,000s)                          | <b>2018-2019</b> | <b>2019-2020</b> | <b>Change</b> |
|--|------------------|------------------|---------------|
| <b>Revenues:</b>                                     |                  |                  |               |
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| Other Operating Funds                                | 1,909            | 2,382            | 473           |
| Transfer to Local Capital                            | (700)            | -                | 700           |
| <b>Total Additional Revenues Available</b>           | <b>67,520</b>    | <b>69,966</b>    | <b>2,446</b>  |
| <b>2019-2020 Additional Expenses/(Savings):</b>      |                  |                  |               |
| FUNDED Known Cost Pressures                          |                  |                  | 1,473         |
| UNFUNDED Known Cost Pressures                        |                  |                  | 987           |
| Recognized Cost Savings                              |                  |                  | (1,180)       |
| 2019-2020 Budget Priorities                          |                  |                  | 1,166         |
| <b>Total Expenses</b>                                |                  |                  | <b>2,446</b>  |
| <b>DRAFT Preliminary Budget Surplus/(Short-fall)</b> |                  |                  |               |
|  |                  |                  | <b>(0)</b>    |

# QUESTIONS & FEEDBACK

