



COWICHAN VALLEY
School District

2023-2026 FINANCIAL PLAN

Supporting students through the Board's Strategic Goals

Updated May 2023

PURPOSE

The purpose of the 2023 – 2026 Financial Plan is to help the stakeholders of the Cowichan Valley understand financial processes and provide a summary of the information utilized to make financial decisions that support the Board's Strategic Priorities. It provides an outline of how the Board prepares, reviews and approves the annual budget (financial plan).

THE FINANCIAL PLAN

The School District's budget is a financial plan that helps the Board prepare all learners in the Cowichan Valley School District for a world they will create. The Board does this by properly allocating funding that aligns with the Strategic Plan and reflect priorities with that plan. The Budget also communicates how the District utilizes its financial resources and allows for detailed, and public, monitoring of expenditures.

HOW DOES THE BOARD CREATE THE BUDGET?:

The Board has established a comprehensive budget process that ensures:

- The priorities of the Strategic Plan are properly funded;
- A transparent process that includes partner and public input through communication and consultation;
- Decisions are reported back to the public and partner groups;
- The Strategic Priorities of Learning, Indigenous Ways of Knowing, Culture of Care, and Future-Focused System are balanced;
- Compliance with the School Act, collective agreements and other regulatory requirements and Board policy;
- An appropriate contingency balance is maintained.



BUDGET TIMELINES:

- | | |
|----------|---|
| December | <ul style="list-style-type: none">• Prepare first draft of year-end surplus estimate; |
| January | <ul style="list-style-type: none">• Establish budget timelines;• Prepare second draft of year-end surplus estimate;• Draft the Budget Guiding Principles; |
| February | <ul style="list-style-type: none">• Adopt the Budget Guiding Principles;• Issue the online Budget Survey;• Prepare next year's enrolment estimate;• Deliver a preliminary budget report containing assumptions and risk factors;• Hold liaison meetings with the Cowichan Valley Teachers' Federation, United Steel Workers, Canadian Union of Public Employees, District Parent Advisory Committee, District Student Advisory Committee and Cowichan Valley Principal / Vice-Principals' Association;• Hold liaison meeting with members of the Indigenous Education Council;• Prepare third draft of year-end surplus estimate. |

BUDGET TIMELINES CONTINUED:

March

- Receive the grant announcement estimate for the next year from the Ministry of Education and Child Care;
- Reconciliation of surplus funds available to assist in balancing the budget;
- Review of the grant announcement with a comparison to the prior year;
- Analysis of the changes in the funding formula;
- Presentation of the opening budget position after all cost and revenue adjustments are applied;

April

- Prepare fourth draft of the year-end surplus estimate;
- Budget options are presented for consideration;
- The Board Education and Business Committee debates the options to balance the Annual Budget;
- The Board Education and Business Committee recommends that the Board of Education adopt the Annual Budget;

May

- Adoption of the Annual Budget by the Board of Education;
- Implementation of staffing plan.



BUDGET FUND TYPES:

The District's Budget is comprised of three separate Funds: Operating Fund, Special Purpose Fund and Capital Fund.

OPERATING FUND

- Learning
- Teaching
- Programs
- Administration
- Facility Operations and Maintenance
- Busing

SPECIAL PURPOSE FUND

- Funds designated for a specific use or program (e.g.):
 - Learning Improvement Fund
 - Annual Facilities Grant
 - Classroom Enhancement Fund
 - Community Link
 - Feeding Futures

CAPITAL FUND

- Buildings
- Fields
- Infrastructure
- Land Purchases





BEYOND EDUCATION

HOW FINANCE FITS INTO THE STRATEGIC PRIORITIES:

PRIORITIES

ACTIONS

Learning

- Focus budget resources on areas of student achievement;
- Ensure that the budget adequately funds learning including staffing and resources;
- Allocate resources that support inservice for all staff;
- Continue to resource targeted initiatives for literacy and numeracy;
- Ensure that resources can be aligned to the strategic priorities and student outcomes;
- Ensure that an adequate surplus contingency is maintained to support programs in years of funding challenges;

Indigenous Ways of Knowing

- Additional support for Indigenous Learning with funding outside of the targeted Indigenous Grant;
- Continue to support post-pandemic outreach program;
- Develop operating procedures that decolonize financial and human resource practices;

Culture of Care

- Ensure that the budget supports the needs of diverse learners;
- Support wellness initiatives for staff and students;

Future-Focused Systems

- Adequately support the technology plan;
- Look for future opportunities to replace aging vehicles with electric;
- Support for Climate Action passion projects;
- Continue to support classroom design innovation when replacing furniture with 21st century furniture.

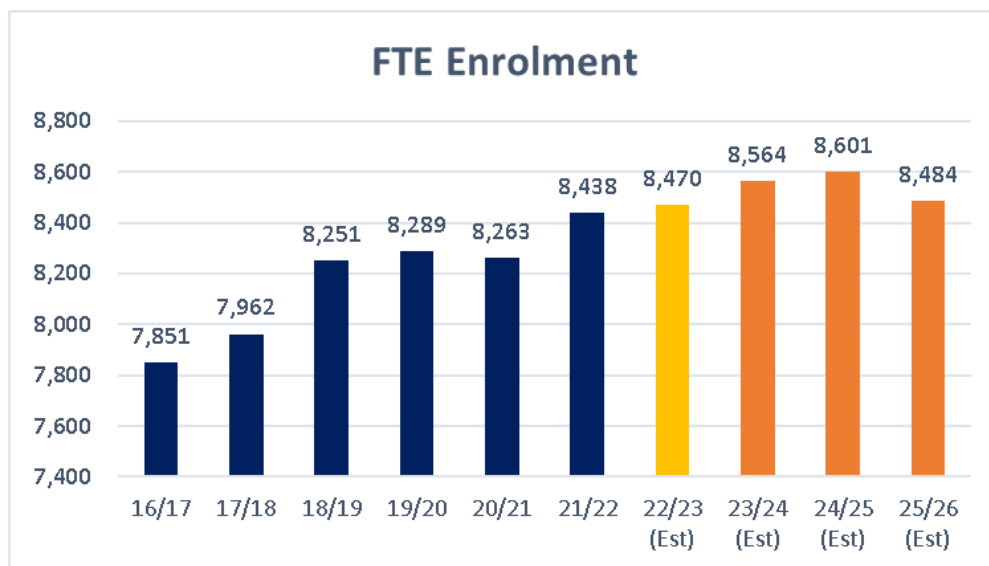
MULTI-YEAR PLANNING

Enrolment:

Enrolment is counted three times during the school year. The Operating Grant is adjusted accordingly to reflect actual enrolment figures as they are known. The chart below includes all three counts (September, February, May).

Enrolment is expected to increase modestly year over year for 2023/2024 and 2024/2025 and then decrease slightly.

Chart 1: Enrolment Summary

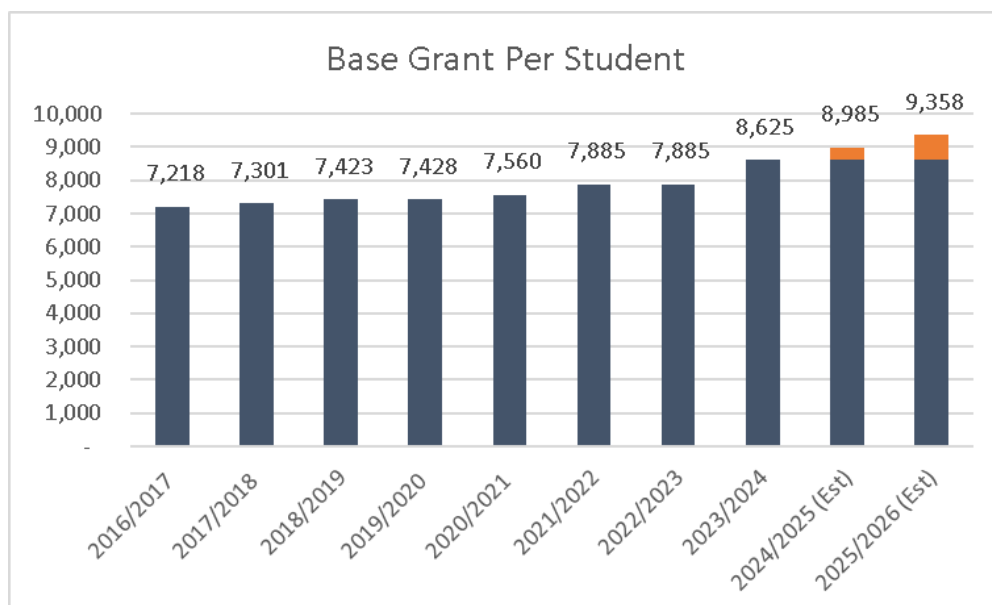


STUDENT ENROLMENT GRANT REVENUES

Three-year Collective Agreements were successfully negotiated for Teachers and Support Staff with an effective date of July 1, 2022. Funding for these salary and wage increases was received separately from the per pupil rate in 2022/2023. The base per student funding rate was increased in 2023/2024 to \$8,625 and included two years of wage and benefit funding. Increases projected for 2024/2025 and 2025/2026 anticipate additional funding to support further wage increases but not inflation.

The funding formula is not expected to change for unique geographic factors or the education plan.

Chart 2: Per Pupil Funding Estimate



INTERNATIONAL EDUCATION REVENUE

The International Education program enrolment (primarily in secondary schools) utilizes space in classrooms that would otherwise go unused by students that reside within the boundaries of the Cowichan Valley.

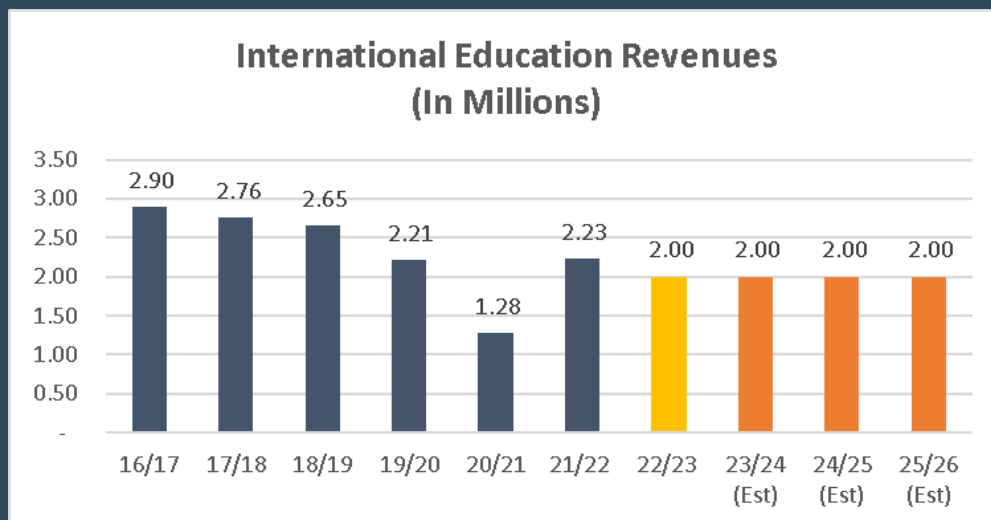
Given local enrolment growth within the District and the resulting space demand, it is likely that International Education enrolment levels will have reached their peak prior to COVID-19. The pandemic has had a negative impact on revenues beginning in 2019/2020.

The pandemic has also reduced the number of homestay families willing to host students.

The ideal number of Full-Time Equivalent (FTE) students is likely around 150.

Global inflation presents as a risk factor for 2023/2024.

Any increase or decrease in revenues is offset by a corresponding change in expenditures related to English Language Learning staffing, classroom staffing, commissions, recruitment travel and other staffing levels.



STAFFING

Staffing levels take various factors into consideration including student and educational needs, grant funding availability, enrolment changes and organizational capacity.

Chart 4: Staffing Levels

Staffing Chart - Total FTE - Operating

	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24 (Est)	24/25 (Est)	25/26 (Est)
Teachers	388	412	420	441	428	435	450	452	453	448
P/VP	39	42	45	46	46	48	46	46	46	46
Education Assistants	128	148	173	168	171	176	183	183	183	183
Support Staff	160	162	165	177	178	178	174	174	176	176
Other Prof	24	26	27	28	28	26	28	28	28	28
Total	739	791	830	860	851	862	880	882	886	880

Staffing Chart - Year over Year Changes in Total FTE - Operating

	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24 (Est)	24/25 (Est)	25/26 (Est)
Teachers	(8)	24	8	22	(14)	7	15	2	2	(6)
P/VP	2	3	3	1	(0)	2	(2)	-	-	-
Education Assistants	2	20	25	(5)	3	5	7	-	-	-
Support Staff	(2)	2	3	12	2	(1)	(4)	-	2	-
Other Prof	(1)	2	1	1	0	(2)	2	-	-	-
Total	(8)	51	39	30	(9)	11	18	2	4	(6)

SALARY EXPENSES

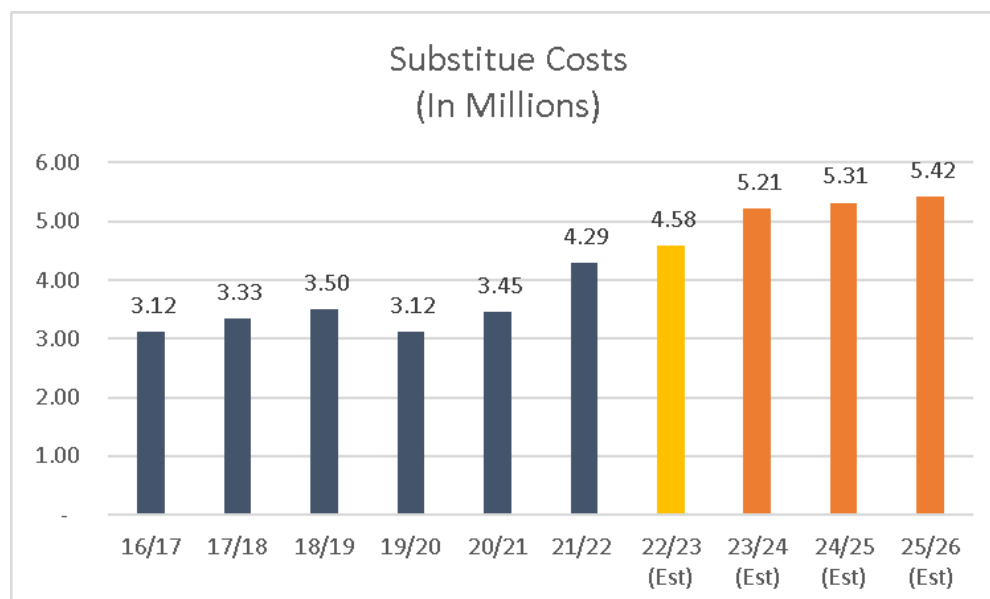
Three-year negotiated collective agreements for the Cowichan Valley Teachers' Federation, United Steel Workers and Canadian Union of Public Employees were implemented on July 1, 2022. Increases of 4% in 2022/2023, 6.75% in 2023/2024 and 2% for 2024/2025 have been used in these estimates. A further 2% for 2025/2026 has been used as an estimate but remains unnegotiated.

Teacher increases will also assume adjustments based upon years of service as they move through the 10-step salary grid.

Other Professionals and Principal & Vice-Principal salaries will be annually incremented by levels similar to those attained under labour settlements.

Substitute costs are assumed to continue the historical trend and have also been adjusted for salary and wage increases. For 2022/2023 until 2025/2026 we use the budgeted total for replacement costs recognizing that inservice funds often go underspent.

Chart 5: Substitute Costs



MULTI-YEAR OPERATIONAL FORECAST SUMMARY

On the following page is a detailed financial forecast summary. It considers the projected enrolment and related effects on staffing and expenditures. Salaries and wages reflect actual bargained increases until the end of 2024/2025 and 2% is assumed for 2025/2026.

An inflation rate of 2.5% has been used for services and supply inflation for 2024/2025 and 2025/2026.

The next two years are manageable utilizing accumulated surplus. It is expected in 2025/2026 adjustments to service levels will be required to balance the budget while maintaining a surplus contingency.

Projections become less certain further into the future due to the uncertainty in funding and inflationary increases.



Chart 6: Financial Projection for Strategic Planning Period

	Actual 2021/2022	Budget 2022/2023	Budget 2023/2024	Projected 2024/2025	Projected 2025/2026
Revenues					
Provincial Grants					
Ministry of Education	82,144,693	82,495,489	92,575,350	94,952,738	96,453,277
Other	390,261	216,000	216,000	216,000	216,000
Tuition	2,232,783	2,100,000	2,000,000	2,000,000	2,000,000
Other Revenue	7,162,366	6,640,766	7,278,534	7,278,534	7,278,534
Rentals and Leases	259,116	150,000	150,000	150,000	150,000
Investment Income	214,915	284,000	750,000	500,000	350,000
Total Operating Revenue	92,404,134	91,886,255	102,969,884	105,097,272	106,447,811
Expenses					
Salaries					
Teachers	37,408,438	37,806,568	42,720,371	43,752,212	44,057,848
Principals and Vice Principals	6,196,222	6,286,814	6,336,600	6,463,332	6,592,599
Educational Assistants	7,510,802	7,768,983	9,082,878	9,264,536	9,449,826
Support Staff	9,255,728	9,603,500	10,558,768	10,968,113	11,187,475
Other Professionals	2,201,951	2,120,074	2,482,874	2,532,531	2,583,182
Substitutes	4,294,147	4,580,281	5,210,172	5,314,375	5,420,663
Total Salaries	66,867,288	68,166,220	76,391,663	78,295,100	79,291,593
Employee Benefits	15,248,428	16,283,741	18,626,258	19,090,365	19,333,336
	22.80%	23.89%	24.38%	24.38%	24.38%
Total Salaries and Benefits	82,115,716	84,449,961	95,017,921	97,385,464	98,624,929
Services and Supplies					
Services	2,957,438	3,468,136	3,280,436	3,362,447	3,446,508
Student Transportation	385,929	276,525	276,525	284,821	293,365
Professional Development and Travel	396,808	584,148	610,900	626,173	641,827
Rentals and Leases	71,805	67,100	67,100	68,778	70,497
Dues and Fees	111,886	114,310	114,310	117,168	120,097
Insurance	218,950	250,134	250,534	256,797	263,217
Supplies	3,802,195	3,271,970	3,775,643	3,870,034	3,966,785
Utilities	1,497,399	1,596,900	1,610,580	1,650,845	1,692,116
Total Services and Supplies	9,442,410	9,629,223	9,986,028	10,237,061	10,494,412
Total Operating Expenses	91,558,126	94,079,184	105,003,949	107,622,526	109,119,341
Net Revenue (Expense)	846,008	(2,192,929)	(2,034,065)	(2,525,254)	(2,671,530)
Interfund Transfers	(198,272)	(38,866)	(288,866)	(40,000)	(40,000)
Use of Accumulated Surplus		2,231,795	2,322,931	2,565,254	2,711,530
Operating Surplus for the Year	647,736	-	-	-	-
Operating Surplus (Deficit), beginning of year	6,507,642	7,155,378	5,753,442	4,180,511	2,365,257
Surplus Use or Accumulation	647,736	(1,796,429)	(2,322,931)	(2,565,254)	(2,711,530)
Restricted for Future Use		(1,070,428)			
Projected Surplus		1,464,921	750,000	750,000	750,000
Operating Surplus (Deficit), end of year	7,155,378	5,753,442	4,180,511	2,365,257	403,727