



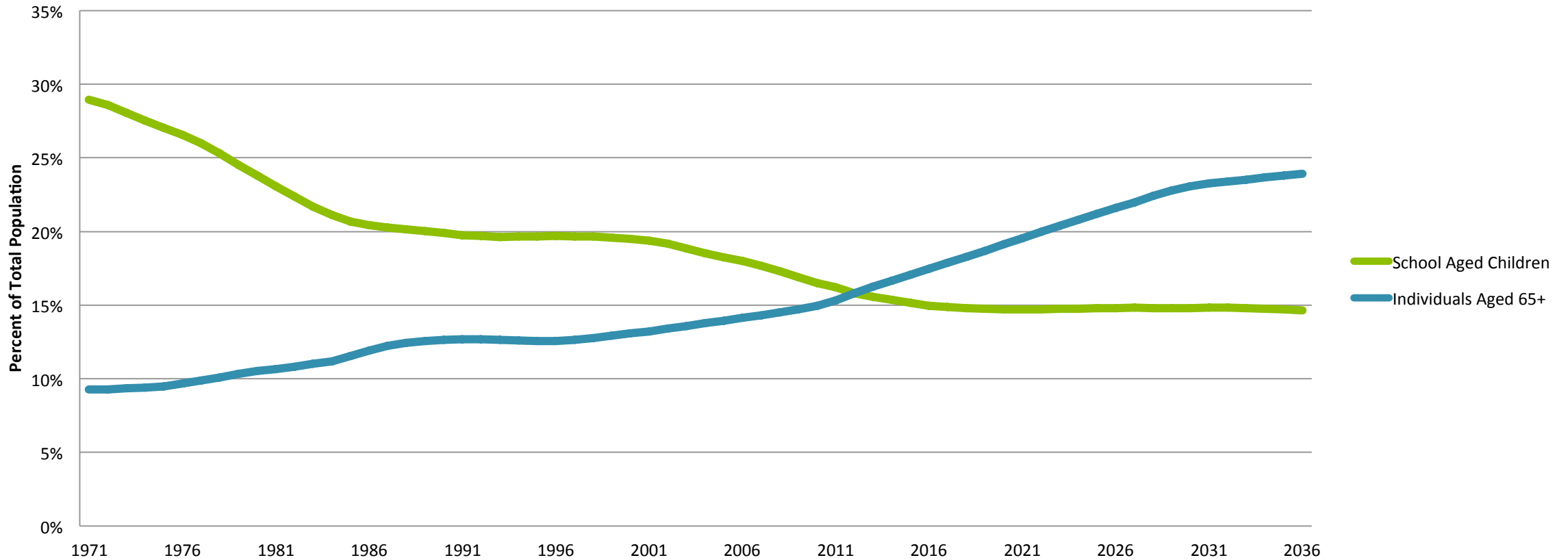
2017/2018 Annual Budget

Board Education and Business Committee

March 28, 2017

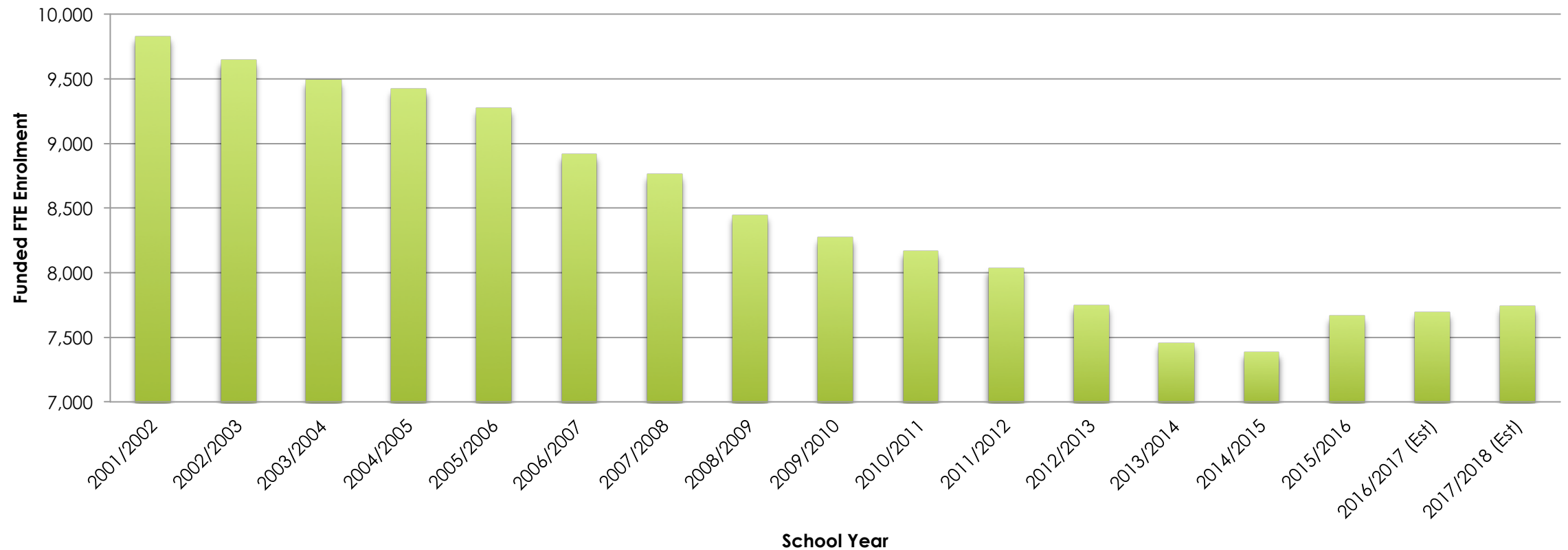
The Provincial Context

School Aged Children and Individuals Aged 65+



Student Enrolment – SD79

Funded School-Age FTE Enrolment by Year



2017/2018 Budgeting

- ▶ The preparation of the 2017/2018 Annual Budget is underway. Consistent with prior years it will be a consolidation of the Operating, Special Purpose and Capital Funds.
- ▶ The Board will continue with the regular budget process for the Operating Funds. The Estimated Operating Grant was announced on March 15, 2017.
- ▶ Separately the Board will budget for the Special Purpose Funds and specifically the new Student Enhancement Fund. It is important to note that there is very little discretion over how the Student Enhancement Funds will be expended as the allocation is in response to the Supreme Court of Canada ruling in the Fall of 2016.

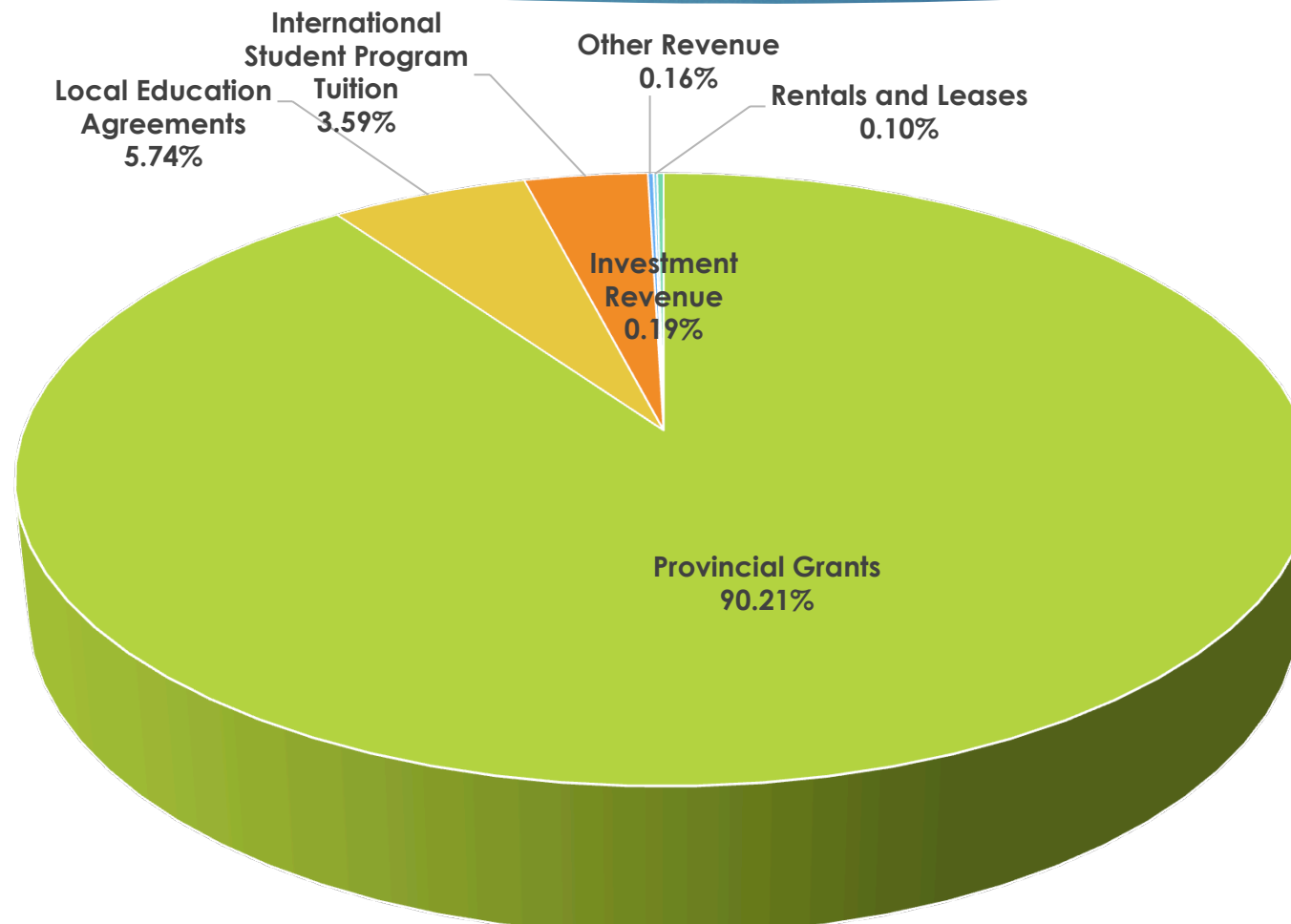
The 2017/2018 Funding Estimate

- Ministry block funding has increased from \$4.924 billion in 2016/2017 and is now set at \$4.999 billion in 2017/2018. It includes increases for the funding of labour settlements with teachers and support staff, including the Economic Stability Dividend as well as ensuring that all enrolment growth is fully funded at published student rates.

Funding Supplement	2016/17 Rate	2017/18 Rate	Change
Basic Allocation	\$ 7,218	\$ 7,301	\$ 83
Basic Allocation - Distributed Learning	\$ 6,030	\$ 6,100	\$ 70
Special Needs - Level 1	\$ 37,700	\$ 38,140	\$ 440
Special Needs - Level 2	\$ 18,850	\$ 19,070	\$ 220
Special Needs - Level 3	\$ 9,500	\$ 9,610	\$ 110
English Language Learning	\$ 1,380	\$ 1,395	\$ 15
Aboriginal Education	\$ 1,195	\$ 1,210	\$ 15
Adult Education	\$ 4,565	\$ 4,618	\$ 53

How is the District Funded?

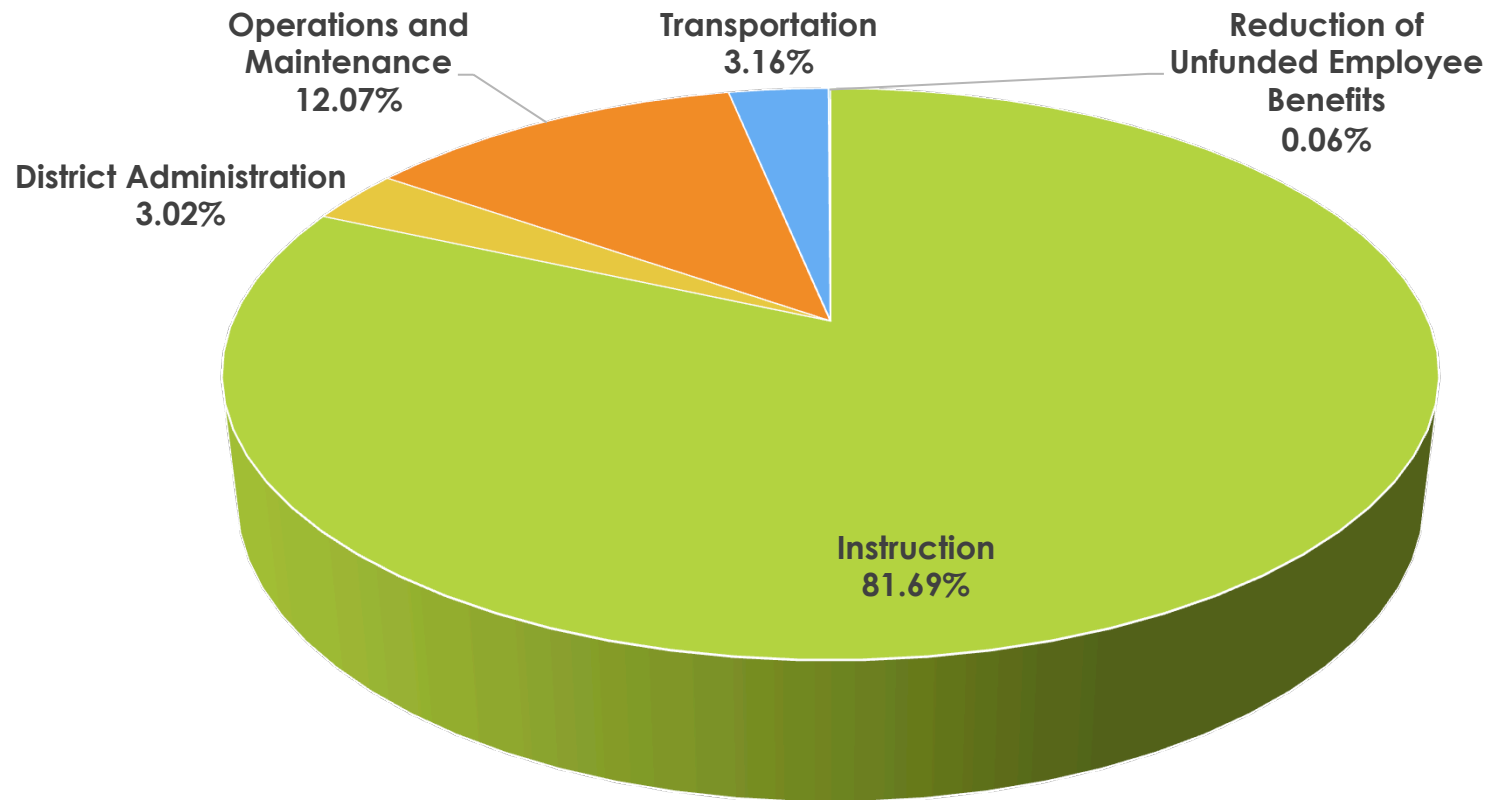
2017/2018 Annual Budget Revenues (Projected)



How Does the District Spend its Money?

2017/2018 Annual Budget Draft

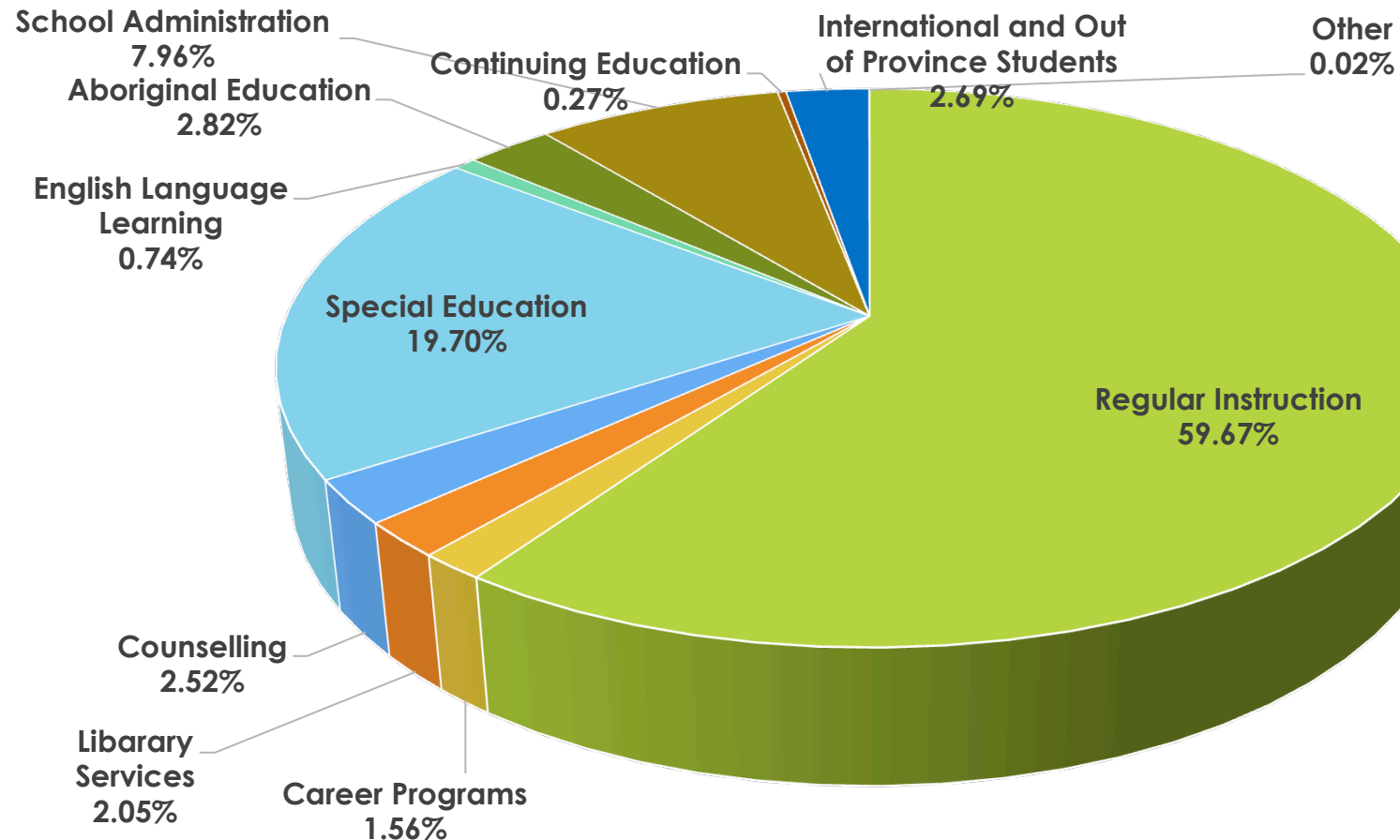
(Before Balancing Adjustments)



How Does the District Spend its Money?

2017/2018 Annual Budget Draft - Instruction

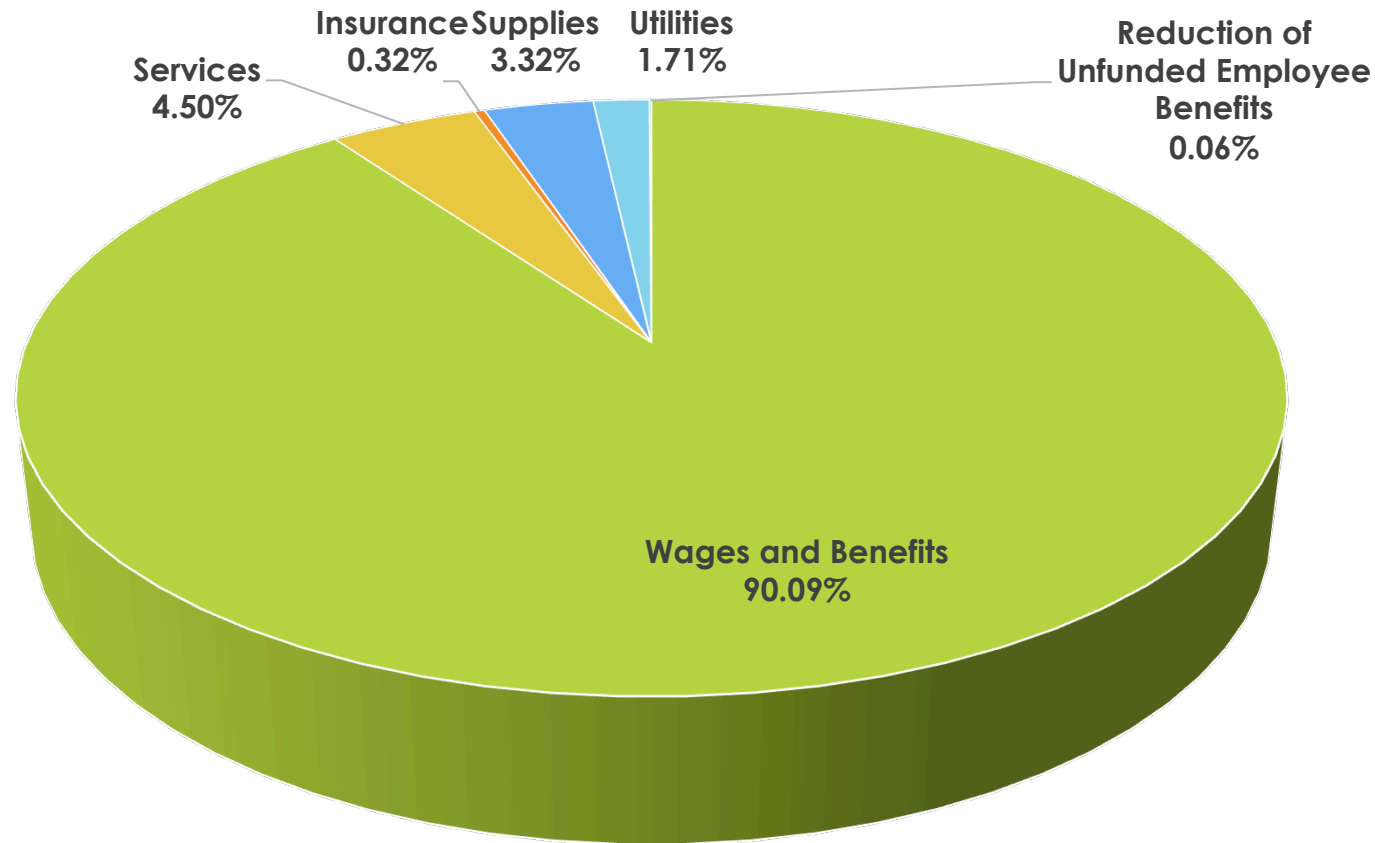
(Before Balancing Adjustments)



How Does the District Spend its Money?

Looked at by Expenditure Type

(Before Balancing Adjustments)



What is the Starting Budget Position for the 2017/2018 Operating Budget? (Before Balancing Adjustments)

Revenues:

Provincial Funding Estimate	1,794,901	
Other Revenues	(65,500)	
Rental Revenue	(40,000)	
Surplus used to balance 2016/2017	(620,989)	1,068,412

Expenditures:

Teacher Wage Increments	372,504	
Additional Teachers for Enrolment Growth	198,933	
Teacher and Support Staff Wage and Benefit Increases	519,157	
Education Assistants added during 2016/2017	236,512	
Principal and Vice-Principal Compensation Transition Plan	69,777	
Communications and Community Engagement Specialist	79,879	
Miscellaneous Adjustments	152,678	1,629,440

Total Reconciled Shortfall

(561,028)

Explanation and Items for Consideration

- ▶ The District has identified a \$561,028 shortfall (expenditures exceeding revenues) for the 2017/2018 Operating Budget.
- ▶ The primary reason for beginning the year with an unbalanced Operating Budget is that the 2016/2017 year was balanced using \$620,989 in prior year unrestricted surplus. While the Board is anticipating an operating surplus for 2016/2017, the utilization of this surplus has not yet been considered in balancing the 2017/2018 year.
- ▶ Items not yet considered in the Operating Budget are:
 - ▶ Teacher staffing contingency
 - ▶ Restoration of staff development funds
 - ▶ Restoration of technology plan funding
 - ▶ Continued transition of the Exempt and Principal / Vice-Principal groups onto the new regional salary model
 - ▶ District level administration
 - ▶ CUPE and USW Provincial Standardized benefits plan rates.

What About the Supreme Court Decision on Class Size and Composition?

- ▶ In the Fall of 2016 the Supreme Court of Canada ruled on the removal of class size and composition language from the teacher collective agreement (2002).
- ▶ A Memorandum of Agreement (MoA) has been reached between the British Columbia Teachers' Federation (BCTF), the Province of British Columbia (The Province) and the British Columbia Public School Employers' Association (BCPSEA). This MoA is interim and will be in place until bargaining resumes in 2019.
- ▶ Funding in support of the MoA was announced on March 24, 2017. The Ministry used estimates to make notional allocations through a restricted Classroom Enhancement Fund.
- ▶ The Classroom Enhancement Fund is not part of the Operating Budget. It will be treated as a special purpose fund and is intended to cover only the incremental costs associated with implementing the MoA.

What About the Supreme Court Decision on Class Size and Composition?

- ▶ The notional allocation is an estimate only. Should the actual costs of implementing the MoA be less than the Ministry estimate, districts can expect that the **Ministry will adjust their allocation accordingly.**
- ▶ The Ministry has committed \$360 million towards the Classroom Enhancement Fund. It is reconciled as follows:

Teacher Portion of Former Learning Improvement Fund (LIF)	80,000,000
Priority Measures Funding Announced in January of 2017	100,000,000
New Funding for Teacher Compensation	150,000,000
<u>New Funding for Overhead and Operating Expenditures</u>	<u>30,000,000</u>
 Total Classroom Enhancement Fund	 <u>360,000,000</u>

What About the Supreme Court Decision on Class Size and Composition?

- ▶ SD79's notional allocation is \$8,830,199. There are two components:
 1. \$8,420,704 for Teacher Compensation
 2. \$409,495 for Overhead and Operating Expenditures
- ▶ Overhead and Operating Expenditures could include items such as custodial time required for additional classrooms, classroom furniture, clerical or admin time required to support new teachers, staff development, etc.

How Many Teachers Will Be Required?

- ▶ District staff are currently working to calculate the implications of the restored collective agreement language. It includes smaller class sizes and restrictions on the numbers and types of special needs designations that can be combined into classrooms.
- ▶ Discussions on the interpretation of the restored classroom conditions are continuing with the Cowichan Valley Teachers' Federation.
- ▶ The Operating Budget is intended to be prepared using existing staffing ratios and class sizes. The Student Enhancement Fund is separate and can only be used to offset the costs incurred in implementing the MoA. If there are funds not utilized in the district's notional allocation of \$8,830,199 they **cannot** be transferred over to the Operating Budget to offset any shortfalls.
- ▶ It is certain that there will a significant number of additional teachers and classroom spaces required for September 2017.

What About Classroom Space?

- ▶ Capital funding will be made available to school districts to address space needs for September 2017. The Ministry have requested that districts provide a list of their needs required to implement the MoA by April 28, 2017.
- ▶ These may include:
 - ▶ Tenant improvements such as moving walls in existing schools.
 - ▶ Portable or modular moves, purchases or leases.
- ▶ It is expected that districts first implement changes within their control to address space needs. These may include:
 - ▶ Reinstating classrooms currently leased to third parties such as daycare operators.
 - ▶ Changing catchment areas.
 - ▶ Adjusting grade configurations and programming.

Other Grants

The Province included a number of other grants with the 2017/2018 Operating Grant Estimate.

- ▶ **Learning Improvement Fund – Support Staff** - Consistent with 2016/2017, the district will receive \$290,372 to continue to add Education Assistant Supports in classrooms. This is a special purpose fund.
- ▶ **Community Link** - Funding of \$636,178 will be in place for continued support of school meal programs and other areas that address student needs. This is a special purpose fund.
- ▶ **Annual Facility Grant** - \$1,806,213 will be received to support capital upkeep of buildings such as painting, roofing, window replacement, etc. A portion of the funding will be distributed as a special purpose fund with the balance coming through the Capital Bylaw process.

Other Grants

- ▶ **Pay Equity** - Consistent with prior years, the district will receive Operating funding of \$363,682 to address gender compensation equity. These funds have been included in the Operating Budget estimate.
- ▶ **Return of Administrative Savings** - As per the commitment by the Ministry, the district will continue to receive \$348,411 in 2017/2018. These funds have been included in the Operating Budget estimate.
- ▶ **Student Transportation Fund** - As per the commitment by the Ministry that these funds would be ongoing, the district will receive \$283,524 in 2017/2018 to offset student busing fees for in-catchment riders. Boards receiving these funds are still permitted to charge fees for out-of-catchment and school-of-choice riders. These funds have been included in the Operating Budget estimate.

The 2017/2018 Annual Budget Process

- ▶ The District will begin consultation with the community and Partner groups beginning April 3, 2017.
- ▶ A survey has been prepared and will be posted to the District website at www.sd79.bc.ca on March 30, 2017.
- ▶ During this consultation period **options to reduce the shortfall** will be presented to the Board over a series of meetings ending on April 25, 2017 at the Board Education and Business Committee Meeting.
- ▶ A Special Open Board Meeting will be held on April 27, 2017 to give 1st and 2nd reading to the Budget Bylaw.
- ▶ At the Regular Open Board Meeting of May 2, 2017, the Budget Bylaw will be adopted.
- ▶ Staffing for processes for the 2017/2018 school year will begin on May 3, 2017