



COWICHAN VALLEY
School District

2021-2024 FINANCIAL PLAN

Supporting students through the Board's Strategic Goals

PURPOSE

The purpose of the 2021 – 2024 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-Focuses 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**
- First Draft of Year-End Surplus Estimate
- January**
- Establish Budget Timelines;
 - Second Draft of Year-End Surplus Estimate
- February**
- Prepare next year's enrollment estimate;
 - Deliver a preliminary budget report containing assumptions and risk factors;
 - Draft the Budget Guiding Principles
 - Third Draft of Year-End Surplus Estimate
- March**
- Adopt the Budget Guiding Principles;
 - Receive the grant announcement estimate for the next year from the Ministry of Education

BUDGET TIMELINES CONTINUED:

April

- Fourth Draft of Year-End Surplus Estimate;
- 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;
- Budget options are presented for consideration;
- A budget survey is issued to the public;
- The District Student Advisory Committee provides feedback on the Budget options;
- The Advisory Committee provides feedback on Budget options;
- Liaison Meetings are held 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-Principal Association;
- A balanced budget is recommended to the Board.

May

- Adoption of the budget by the Board;
- 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 (Eg:)
 - Learning Improvement Fund
 - Annual Facilities Grant
 - Classroom Enhancement Fund
 - Community Link

CAPITAL FUND

- Buildings
- Fields
- Infrastructure
- Land Purchases





BEYOND EDUCATION

HOW FINANCE FITS INTO THE STRATEGIC PRIORITIES:

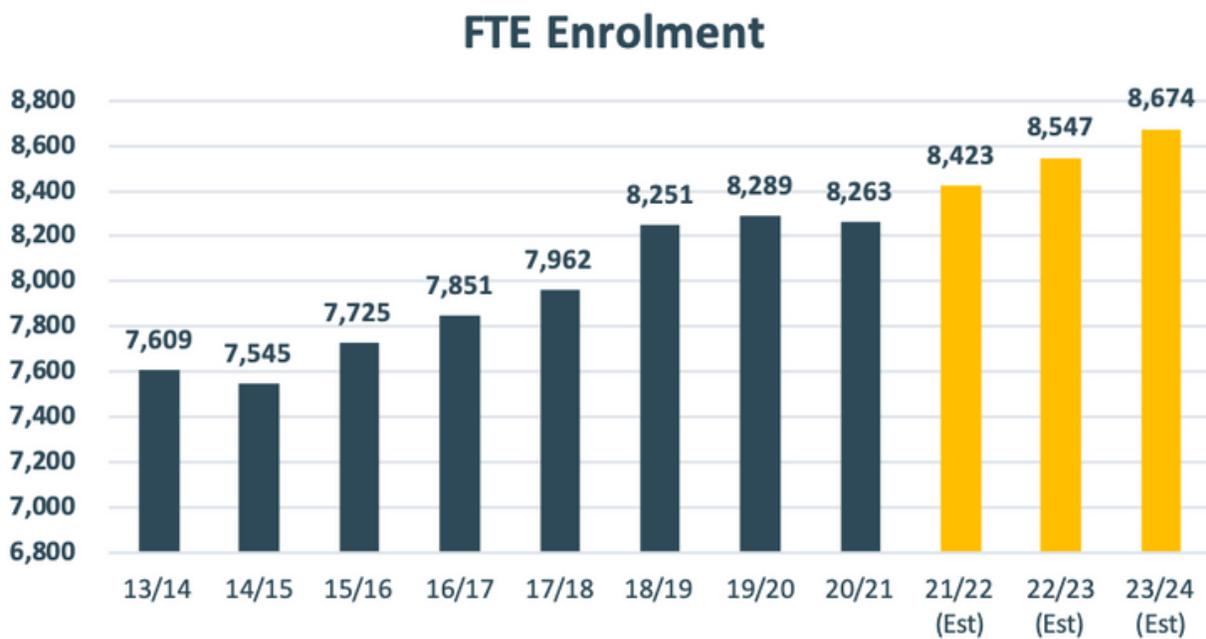
PRIORITIES	ACTIONS
Learning	<ul style="list-style-type: none">• Focus budget resources on areas of student achievement;• Ensure that the budget adequately funds learning including staffing and resources;• Allocate resources that support inservice for all staff• Ensure that resources can be aligned to 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	<ul style="list-style-type: none">• Additional support for Indigenous Learning with funding outside of the targeted Indigenous Grant;• Support the creation of outdoor learning spaces
Culture of Care	<ul style="list-style-type: none">• Ensure that the budget supports the needs of diverse learners;• Support wellness initiatives for staff and students;
Future Focused Systems	<ul style="list-style-type: none">• Adequately support the technology plan;• Look for future opportunities to replace aging vehicles with electric;• 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). September 2021 enrolment has recovered well from the prior year. Enrolment is expected to increase by 1.5% year over year for 2022/2023 and 2023/2024. With an increase in enrolment comes an increase in the projected Operating Grant calculation.

Chart 1: Enrolment Summary



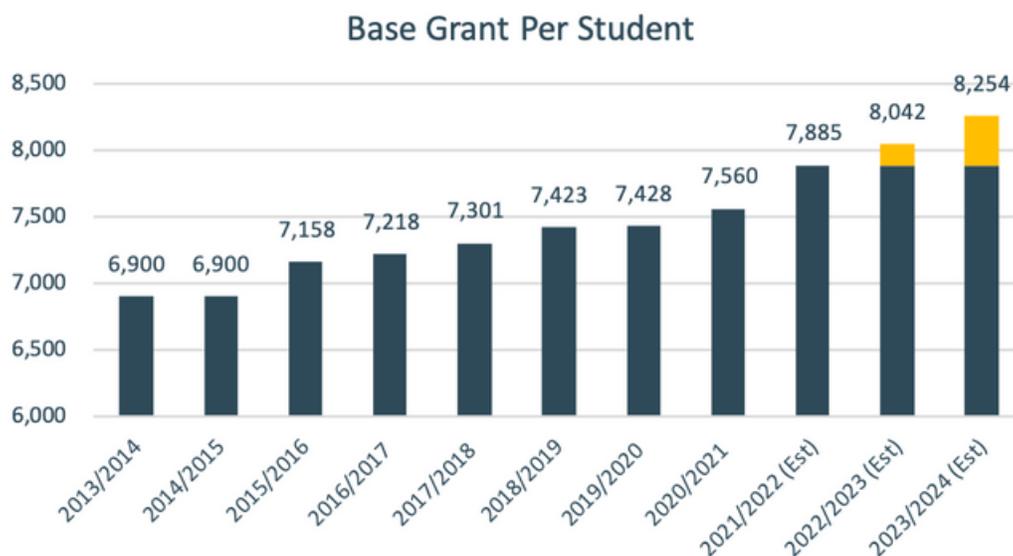
STUDENT ENROLMENT GRANT REVENUES

At this time, there are no indications that per student funding will increase over and above the amount required to cover negotiated wage settlements. The base per student funding is forecasted to remain at \$7,885 per the Ministry estimated funding announcement for 2021/2022.

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

Phase II recommendations from the Funding Model Review continue to be further reviewed. As a result it is expected that any changes will be implemented slowly over time.

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.

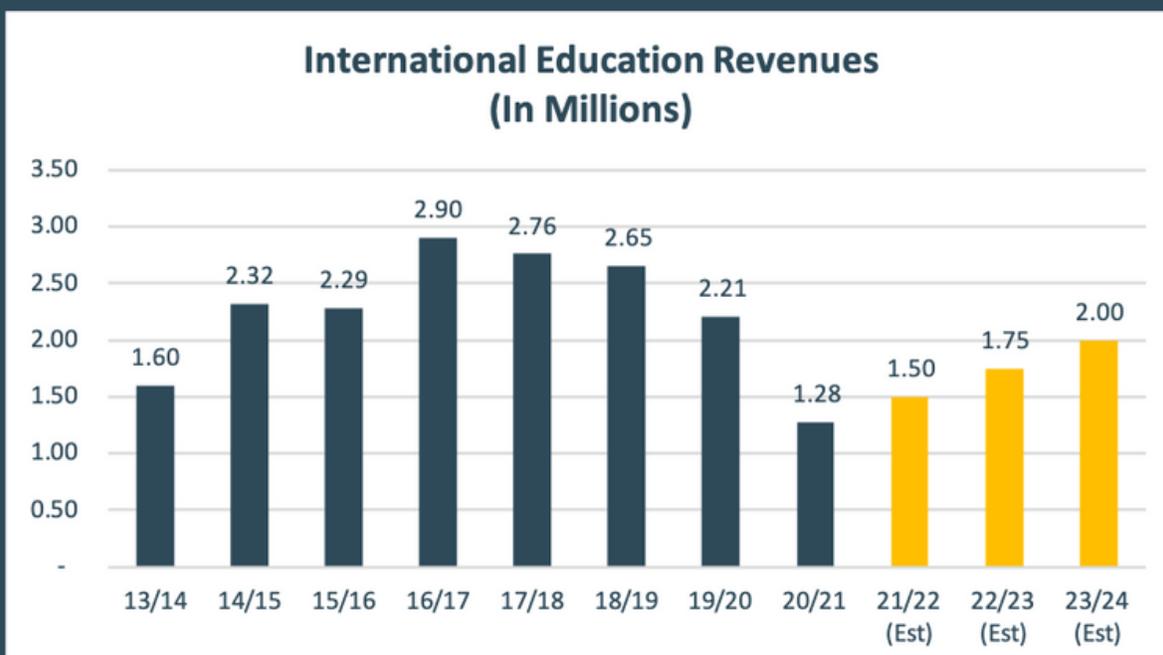
Given local enrolment growth within the district and the resulting space demand it is likely that International Education enrolment levels will have reached their peak prior to COVID-19. The pandemic has had a negative impact on revenues beginning in 2019/2020.

It is expected that recovery will be slow as border travel begins to reopen internationally.

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 200.

Any increase or decrease in revenues is offset by a corresponding change in expenditures related the 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 growth and organizational capacity.

As student enrolment is projected to increase so will staffing levels.

Chart 4: Staffing Levels

Staffing Chart - Total FTE - Operating

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22 (Est)	22/23 (Est)	23/24 (Est)
Teachers	404	396	388	412	420	441	428	435	442	449
P/VP	38	37	39	42	45	46	46	48	48	48
Education Assistants	122	126	128	148	173	168	171	176	176	176
Support Staff	161	162	160	162	165	177	178	178	178	178
Other Prof	23	25	24	26	27	28	28	26	26	26
Total	749	747	739	791	830	860	851	862	869	876

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

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

SALARY EXPENSES

2021/2022 marks the end of the negotiated collective agreements for the Cowichan Valley Teachers' Federation, United Steel Workers and Canadian Union of Public Employees. For future year forecasting it is assumed that each employee group will receive a 2% increase.

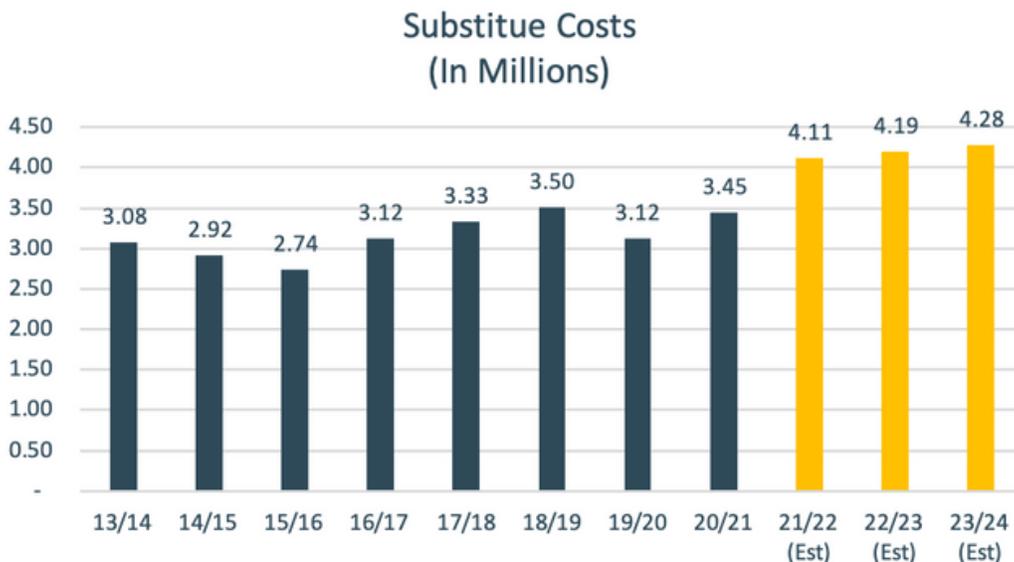
Teacher increases will also assume adjustments based upon years of service as they move through the 10-step salary grid.

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. For 2021/2022 until 2023/2024 we use the budgeted total for replacement costs recognizing that inservice funds often go underspent.

Employee absenteeism accounts for the increasing expenditure trend.

Chart 5: Substitute Costs



MULTI-YEAR OPERATIONAL FORECAST SUMMARY

Following on the next page is a detailed financial forecast summary. It considers the projected enrolment and related effects on staffing and expenditures. Wage increases of 2% are assumed and a supply inflation rate of 2%.

The next two years are manageable utilizing accumulated surplus. It is expected in 2023/2024 adjustments to service levels will be required to balance the budget while maintaining a surplus contingency.

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



Chart 6: Financial Projection for Strategic Planning Period

	Actual 2019/2020	Actual 2020/2021	Budget (Updated) 2021/2022	Projected 2022/2023	Projected 2023/2024
Revenues					
Provincial Grants					
Ministry of Education	77,705,125	79,669,145	81,818,844	84,900,451	87,719,311
Other	320,775	283,100	75,000	75,000	75,000
Tuition	2,208,982	1,284,335	1,500,000	1,750,000	2,000,000
Other Revenue	6,454,448	7,172,761	6,250,976	6,262,643	6,274,309
Rentals and Leases	95,809	69,862	85,000	158,000	158,000
Investment Income	390,570	278,562	172,000	172,000	172,000
Total Operating Revenue	87,175,709	88,757,765	89,901,820	93,318,094	96,398,621
Expenses					
Salaries					
Teachers	35,527,776	35,943,632	36,908,165	38,202,994	39,546,203
Principals and Vice Principals	5,609,920	5,776,794	6,208,107	6,481,189	6,610,813
Educational Assistants	7,017,050	7,482,047	7,975,726	8,135,241	8,297,945
Support Staff	9,004,218	9,184,397	9,766,612	10,012,944	10,213,203
Other Professionals	2,237,528	2,282,895	2,195,601	2,239,513	2,284,303
Substitutes	3,119,894	3,450,550	4,112,708	4,194,962	4,278,861
Total Salaries	62,516,386	64,120,315	67,166,919	69,266,843	71,231,329
Employee Benefits	14,530,028	14,966,970	15,358,562	16,168,398	16,631,867
	23.24%	23.34%	22.87%	23.34%	23.35%
Total Salaries and Benefits	77,046,414	79,087,285	82,525,481	85,435,240	87,863,196
Services and Supplies					
Services	2,817,026	2,703,513	3,130,810	3,193,426	3,257,295
Student Transportation	196,422	289,974	262,025	269,886	277,982
Professional Development and Travel	569,120	311,893	561,073	572,294	583,740
Rentals and Leases	37,600	41,960	62,100	63,342	64,609
Dues and Fees	82,122	119,614	114,310	116,596	118,928
Insurance	257,365	245,936	250,134	255,137	260,239
Supplies	2,981,303	3,076,499	3,035,470	3,096,179	3,158,103
Utilities	1,246,292	1,335,201	1,462,000	1,491,240	1,521,065
Total Services and Supplies	8,187,250	8,124,590	8,877,922	9,058,101	9,241,962
Total Operating Expenses	85,233,664	87,211,875	91,403,403	94,493,341	97,105,158
Net Revenue (Expense)	1,942,045	1,545,890	(1,501,583)	(1,175,247)	(706,537)
Interfund Transfers	(146,858)	(178,614)	-	(700,000)	(700,000)
Use of Accumulated Surplus	-	-	1,501,583	1,875,247	1,406,537
Operating Surplus for the Year	1,795,187	1,367,276	-	(0)	(0)
Operating Surplus (Deficit), beginning of year	3,345,179	5,140,366	4,743,755	3,242,172	1,366,925
Surplus Use or Accumulation	1,795,187	1,367,276	(1,501,583)	(1,875,247)	(1,406,537)
Restricted for Future Use	-	(1,763,887)	-	-	-
Operating Surplus (Deficit), end of year	5,140,366	4,743,755	3,242,172	1,366,925	(39,612)
Inflation				2.00%	2.00%