



COWICHAN VALLEY

School District

2024/2025 Annual Budget

Board Education and Business Committee

Meeting – April 23, 2024

Budget Guiding Principles

2024/2025 BUDGET GUIDING PRINCIPLES

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 reflects priorities within that plan. The budget also communicates how the District utilizes its financial resources and allows for detailed, and public, monitoring of expenditures.

Budget Guiding Principles

Guiding Principles for Budget Development:

- Budget decisions must align with the priorities of 'Beyond Education' Strategic Plan 2020-2024;
- Is developed as a mechanism to aid in Reconciliation;
- **Intentionally targets funds towards resources aimed at increasing Indigenous student graduation rates;**
- Is developed on the principles of equity;
- Must be developed in a transparent process and must include public and partner input through communication, consultation and reporting back;
- Accounts for uncertainties of inflationary pressures;
- Complies with the *School Act*, collective agreements and other regulatory requirements and Board policy;
- Considers multi-year implications of decisions;
- Balances short-term and long-term priorities;
- Maintains appropriate contingency balance.

Cost Pressures
Continue to
Exceed
Funding
Increases



The Budget Process so Far

The Board has been actively engaging the community to collect information in order to establish priorities for the 2024/2025 Annual Budget.

To date the Board has:

- Established the 2024/2025 Budget Guiding Principles;
- Issued a survey on the Budget;
- Held liaison meetings with Rights Holders;
- Held liaison meetings with DSAC, Indigenous Student Leadership Group, CVTF, USW, CUPE, PVPA, and DPAC;
- Held a public feedback meeting on the Budget;
- Received information from staff at Board Education and Business Committee meetings and a Board meeting.

The Budget Process so Far

- The Budget Guiding Principles were reviewed and recommended to the Board at the January 30, 2024 Regular BEBC meeting;
- The Board adopted the Budget Guiding Principles at the Regular Open Meeting of the Board on February 6, 2024;
- At the February 27, 2024 Regular BEBC meeting, the Board received the following information:
 - The enrolment estimate for 2024/2025;
 - A preliminary budget report containing assumptions and risk factors;
 - Consolidated feedback from the budget survey;
 - A year-end projection on expected revenue and expenditures balances.

The Budget Process so Far

At the March 26, 2024 Regular BEBC meeting, the Board received the following information:

- A review of the Ministry Funding announcement;
 - Changes in the Operating Grant rates;
 - Changes in the Operating Revenues;
 - Changes in the Operating Expenditures;
 - Assumptions used to create the Opening Budget Position;
 - An updated Surplus Reconciliation.
- At the April 11, 2024 Special BEBC meeting, the Board received the following information:
 - A list of options to reduce the shortfall;
 - A list of options that add to the shortfall;
 - Information on the two primary special purpose funds.
 - On April 16, 2024 the Board heard feedback from the Advisory Committee on the budget options and use of surplus.

The Budget Process so Far

- At this meeting we will:
 - Present an updated list of options and possible balanced budget;
 - Align the options to the Board's Strategic Priorities;
 - Review the two capital reserve balances;
 - Invite Trustees to provide feedback and recommendations.

Recent Announcement

Annual Facilities Grant (AFG)

- On April 12, 2024 the Ministry of Education and Child Care released the Capital Portion of the Annual Facility Grant.
- For 2024/2025 the total allocation will be \$2,455,240 (2023/2024 \$2,404,566).

		Operating Portion			
Total AFG	Capital Portion	Gross	Withheld (CAMS)	Net	Total Allocation
\$2,404,566	\$2,020,424	\$384,142	\$32,693	\$351,449	\$2,371,873

Recent Announcement

Teacher Extended and Dental Benefit Premiums

- On April 17, 2024 the School District received the actual Teacher Plan Extended Health and Dental Benefit Premium rates for 2024/2025.
- The draft 2024/2025 Annual Budget had used an estimated increase of 7.44% in alignment with the already announced increase for CUPE.
- The actual benefit premium has increased by 19.81% resulting in a year-over-year increase of approximately \$468,000. This increase in premiums is not funding by the Ministry of Education and Child Care.
- Having previously estimated 7.44% or \$180,000 in premiums an additional \$288,000 must now be found through further reductions.

Aligning the Options to
the Board's Strategic
Priorities While Achieving
a Balanced Budget

Description	Revenues	Surplus	Expenditures	(Shortfall)	Strategic Priority
Opening Balance March 26, 2024	\$108,103,149		\$111,677,868	-\$3,574,719	
Restriction of 2023/2024 Surplus (Note1)		\$2,000,000			
Interest Revenue (Note 2)	100,000				
Build Surplus from 2023/2024 CLINK (Note 3)		250,000			
Build Surplus from Local Capital Transfer reversal (Note 4)		250,000			
Enrolment Based Reduction (Note 5)			-800,000		Learning
Clerical Reallocation (Notes 6 & 7)			-44,000		
Automated Call-Out (Note 8)			-68,000		Future Focused Systems
Coordinator (Note 9)			-120,000		Learning
StrongStart Deficit (Note 10)			24,000		Learning
Child Care Itinerant (Note 11)			54,000		Culture of Care
2023/2024 Additional Inclusive Ed Supports (Note 12)			-50,000		Culture of Care

Description	Revenues	Surplus	Expenditures	(Shortfall)	Strategic Priority
Workplace Accommodation Equipment (Note 13)			15,000		Culture of Care
Contracts (Note 14)			-30,000		
Indigenous Learner Outcomes (Note 15)			100,000		Indigenous Ways of Knowing
Move to New Quw'utsun Secondary (Note 16)			75,000		Learning
Dual Credit Tuition (Note 17)			50,000		Learning
Community Centre Rental (Note 18)			-20,000		Learning
Careers – Skills Trades BC (Note 19)			-108,000		
Fund SDS Software Upgrade from Local Capital (Note 20)			-45,000		Future Focused Systems
Pension Premiums (Note 21)			-150,000		

Description	Revenues	Surplus	Expenditures	(Shortfall)	Strategic Priority
Extended Health and Dental Teacher Premiums (Note 22)			287,302		Culture of Care
WorkSafe BC Premiums (Note 23)			-21,239		Culture of Care
Year 2 of Operations Equipment Replacement Plan from Local Capital (Note 24)			-50,000		Future Focus Systems
.50 FTE Reduction in Teacher Staffing Contingency (Note 25)			-60,000		Learning
Average Teacher Salary (Note 26)			-13,782		Learning
Balanced Budget	\$108,203,149	\$2,500,000	\$110,703,149	\$0	

Surplus Reconciliation

Surplus Reconciliation	
2023/2024 Unrestricted Surplus	\$3,121,958
2023/2024 Projected Surplus as at March 15, 2024	1,091,277
2023/2024 Surplus Created Through Budget Options	500,000
Total Surplus Available	\$4,713,235
Surplus Utilized to Balance 2024/2025 Annual Operating Budget	2,500,000
Remaining Surplus	\$2,213,235
Percentage of Budget	2.00%

Capital Balances

	MINISTRY RESTRICTED	LOCAL CAPITAL	TOTAL
OPENING	2,576,125	2,565,264	5,141,389
PROJECTED INTEREST	60,850	72,320	133,170
FRANCES KELSEY PORTABLES		(636,000)	(636,000)
QUW'UTSUN SECONDARY CONTRIBUTION	(1,600,000)	(600,000)	(2,200,000)
SUBTOTAL ESTIMATED CAPITAL BALANCE BEFORE COMMITMENTS	1,036,975	1,401,584	2,438,559
COMMITMENTS - CUSTODIAL EQUIPMENT		(45,000)	(45,000)
COMMITMENTS - SDS SOFTWARE UPGRADE (NOTE 20)		(45,000)	(45,000)
COMMITMENTS - OPERATIONS EQUIPMENT REPLACEMENT (NOTE 24)		(50,000)	(50,000)
ESTIMATED CAPITAL BALANCE AVAILABLE	1,036,975	1,261,584	2,298,559

Operations and Transportation Equipment 3-Year Plan

- The Board currently is in year 3 of a 5-year custodial equipment replacement program. This plan is funded from Local Capital. The final year of the plan will be 2025/2026.
- The Board currently is in year 1 of a 3-year Operations and Transportation equipment replacement plan. For 2024/2025 it is recommended that this plan be funded from Local Capital. The final year of the plan will be 2025/2026.

Operations and Transportation Equipment 3-Year Plan

Tools and Equipment (50K each year for 3 years)			
Priorities	Year 1 (2023/2024)	Year 2 (2024/2025)	Year 3 (2025/2026)
Bus pass scanning system (3 Phases)	\$30,000	\$30,000	\$30,000
Repair sander	\$4,000		
1-2 small pick up mounted Sanders/sanders	\$4,000	\$4,000	
Used Small dump Truck			
Buy used HIAAB or other truck mount crane	\$11,000	\$9,000	
Drain auger		\$6,000	
Misc. hand and cordless tools	\$1,000	\$1,000	\$2,500
Extended stop arm for buses			\$17,500
	\$50,000	\$50,000	\$50,000

Feedback from Trustees on the Options



2024/2025 Annual Budget Recommendation

If the Board is satisfied with the budget options as presented, the following recommendation is proposed:

- *“That the Board Education and Business Committee directs staff to prepare the 2024/2025 Annual Budget in accordance with the information presented at the April 23, 2024 Board Education and Business Committee Meeting and bring a balanced 2024/2025 Annual Budget to the April 25, 2024 Special Board Education and Business Committee for recommendation to the Board.”*

The Next Steps

- A Special Board Education and Business Committee will be held on April 25, 2024 to review the balanced 2024/2025 Annual Budget and make a recommendation to the Board.
- The Board will receive a balanced budget for consideration at the May 7, 2024 Open Board Meeting.
- Staffing processes for the 2024/2025 school year will officially begin on May 8, 2024.

What is Ahead?

- Budgeting in a period of declining resources is becoming increasingly challenging. This is in part due to the lack of predictability in the year-over-year funding received from the Ministry of Education and Child Care
- The long-range forecast presented at the April 11, 2024 BEBC meeting shows that there are financial challenges ahead if funding isn't adjusted for inflationary pressures.