



AGENDA
Special Board Education and Business Committee

Thursday, April 11, 2024

4:00 p.m.

Boardroom - Public Participation via Zoom

Pages

1. CALL TO ORDER

I would like to acknowledge that this meeting is taking place on the lands of the Hul'q'umi'num' speaking people, specifically the Kwa'mutsun village. The Board of Education is honoured to be able to collaboratively walk beside the Quw'utsun, Malahat, Ts'uubaa-asatx, Halalt, Penelakut, Stz'uminus, and Lyackson Peoples who have cared for this land for thousands of years. May we walk gently on the ceded and unceded territories of their lands as we work together to lift up all of the xe'xe' smun'eem.

2. ADOPTION OF AGENDA

2.1 Motion to Adopt Agenda

"That the Board Education and Business Committee adopts the agenda of the April 11, 2024 Special Board Education and Business Committee meeting."

3. BUSINESS AND OPERATIONS

3.1 2024-2025 Annual Budget

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4. ADJOURNMENT

4.1 Motion to Adjourn

"That there being no further business, the meeting be adjourned."



COWICHAN VALLEY

School District

**2024/2025 Annual Budget
Special Board Education and Business
Committee Meeting – April 11, 2024**

Budget Guiding Principles

2024/2025 BUDGET GUIDING PRINCIPLES

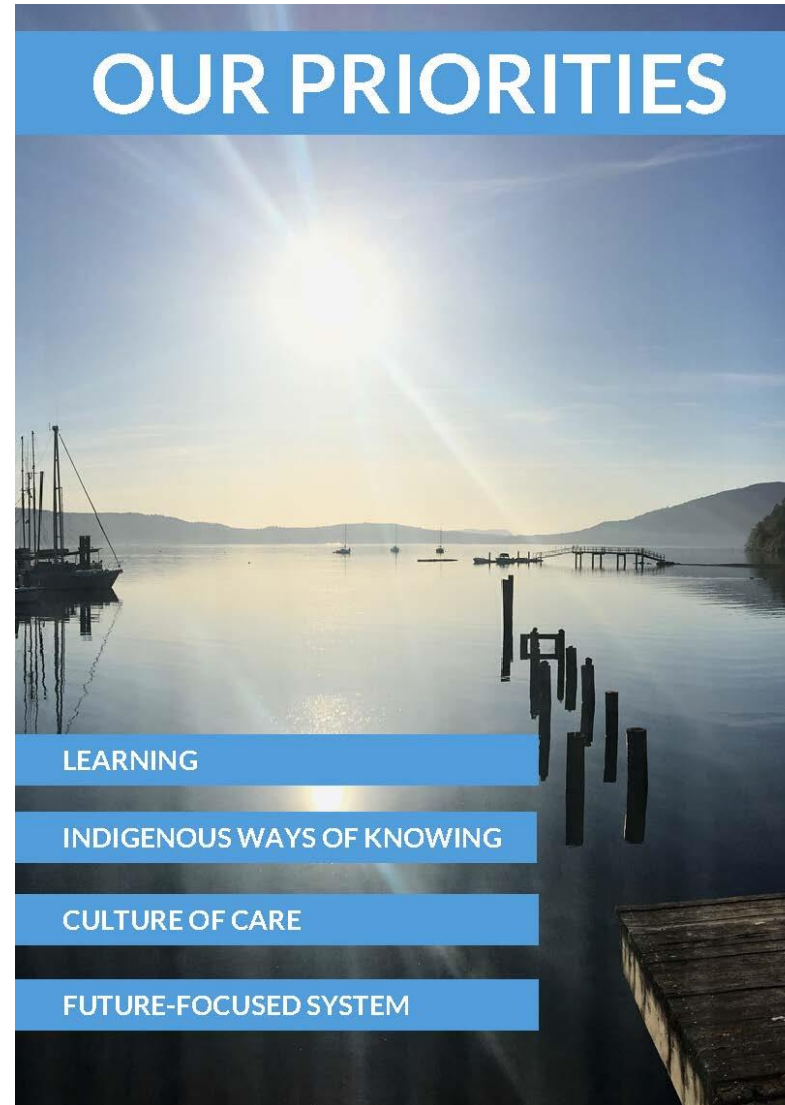
The School District's budget is a financial plan that helps the Board prepare all learners in the Cowichan Valley School District for a world they will create. The Board does this by properly allocating funding that aligns with the Strategic Plan and reflects priorities within that plan. The budget also 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.

The Four Priorities of the 2020-2024 Strategic Plan



Administrative Procedure 412

Periods of Diminishing Financial Resources

Background: The District has a mandate to provide quality education services to students enrolled in schools and programs operated by the District within a fiscally responsible framework.

Procedures: When the District experiences a period of diminishing financial resources, the District shall be guided by two principles:

1. The maintenance of the highest quality of education services is the paramount goal - even though this may, at times, require the District's greatest efforts to preserve programs the District deems indispensable and/or to add new programs which may become important.
2. The provision of the highest reasonable level of job security for our staff shall be the District's second goal - though that goal must be inevitably tempered by the District's determination to respect the rights and needs of the students.

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

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 this meeting we will:

- Present a list of options;
- Invite Trustees to provide feedback and recommendations;
- Review the two primary Special Purpose Funds.

Other Ways that the Board Receives Input into the Budget

The Board's Budget engagement does not only happen with the liaison meetings, Advisory Committee, public budget meeting and survey.

The Board receives feedback on the Budget year-round in the following ways:

- The Advisory Committee provides feedback on issues of importance to the school district, its employees, students and parents;
- Collective bargaining, where Union proposals bring forward issues important to the employee groups;
- Delegations to the Board at both Open and Closed Board Meetings;
- Trustees rotate attendance at the District Student Advisory Committee (DSAC) to hear the voices of learners, and the District Parent Advisory Committee (DPAC) to connect with parents;

Other Ways that the Board Receives Input into the Budget

- Through conversations that Trustees have collectively and individually with members of the broader community;
- The regular attendance of school and district teams at the Board Education and Business Committee that demonstrate how the resources provided by the Board are translated into successful learning initiatives;
- Through the regular year-end projection updates that relay how actual spending aligns with budget and provide information on budgets that can be increased or decreased.

The Board Provides Direction to Staff in Additional Ways as Well

Decisions around the Budget Priorities are communicated to Staff to implement beyond the official budget process.

The Board provides additional direction to staff in the following ways:

- Through the Board's value statements and strategic priorities;
- Through decisions made at the Board table over the course of the Board's term;
- Through questions asked and opinions stated at Board Planning sessions;

The full District Leadership Team attends all meetings of the Board to ensure that the directions of the Board are understood and implemented within the constraints of the Budget.

District staff are receiving budget feedback from the Board 12 months of the year.

Shared Recovery Mandate (SRM)

- On March 19, 2024, the 2023 Shared Recovery Mandate (SRM) was announced. The 12-month BC CPI average from March 2023 to February 2024 was 3.4% (Prior Year 7.1%). This confirmed that collective agreements ratified under the 2022 SRM will include the maximum 3.0% Year 3 wage increase.
- The opening budget position presented on March 26, 2024 anticipated the full increase, and wages and benefit expenditures currently reflect this increase for all staff.
- Funding has not yet been announced to support the full Cost of Living Allowance (COLA) increase of 1.0% (3.0% less 2.0% funded) or the funding announced to provide this increase to Exempt Staff. For the purposes of this budget draft, an estimate of \$949,352 is being used.

Student and Family Affordability Fund

- On March 14, 2024 the Province announced a one-time top-up allocation to the Student and Family Affordability Fund.
- These funds will be received as part of the 2023/2024 Fiscal Year but due to the timing of the announcement will be permitted to carry over to the 2024/2025 Fiscal Year.
- This fund was initially replaced in 2023/2024 by the Feeding Futures Fund.
- The Student and Family Affordability Fund will be allocated out to schools based on a weighted formula of enrolment and needs.
- The one-time allocation for the Cowichan Valley School District is \$347,000.

Funding for Indigenous Education Councils

Division 2.01 Indigenous Education Councils was added to the School Act through the Royal Assent of Bill 40.

Each board must establish and maintain an Indigenous education council, for the following purposes:

- a) Advising the board respecting any matter related to the following:
 - i. providing comprehensive and equitable education programs and services to Indigenous students;
 - ii. improving Indigenous student achievement;
 - iii. integrating into learning environments Indigenous world views and perspectives, in particular those of the first nations, the treaty first nations or the Nisga'a Nation in whose traditional territory the Board operates;
- b) Advising on grants provided under this Act in relation to Indigenous students;
- c) Approving plans, spending and reporting related to grants as set out in Section 87.002;
- d) Advising the board in relation to the distinct languages, cultures, customs, traditions, practices or history of the first nations, the treaty first nations or the Nisga'a Nation in whose traditional territory the board operates, through advice from the Indigenous education council members representing those first nations, treaty first nations of the Nisga'a Nation.

For certainty, an Indigenous education council is not a committee of a board under section 65 (2) (a) of this Act.

Funding for Indigenous Education Councils

- For 2024/2025 the Board will receive \$118,726 to support the work of the Indigenous Education Councils.
- These funds are targeted and will be reported as part of 1.31 Indigenous Education of the Operating Budget.
- The intent of this funding is to offset expenses related to the establishment and maintenance of Indigenous Education Councils and the implementation and, if applicable, negotiation of Local Education Agreements (LEAs).

The Operating Shortfall for 2024/2025?

At the March 26, 2024 Board Education and Business Committee the District identified an Opening Operating Budget shortfall of **\$3,574,719** (expenditures exceeding revenues) for 2024/2025. This projection was created using the following unconfirmed assumptions:

- That the 1.00% COLA and Exempt Staff compensation increase will result in an additional \$949,352 of grant funding;
- That Extended Health and Benefit rates for Teachers and Principals/Vice-Principals will increase by 7.44%;
- That the 2025 WorkSafe BC demerits will equal those of 2024.
- That the Bank of Canada will begin to decrease interest rates over the course of 2024/2025;
- That global inflation will not affect the enrolment for the International Student Program.

The Operating Shortfall for 2024/2025? Cont...

- Certain staffing adjustments have already been applied to the Opening Budget Position:
- A 1.0 FTE reduction in Exempt Staff was applied assuming the non-replacement of the Director of Communications whose duties have been distributed primarily to the Acting Assistant Superintendent of Communications and Community Relations.
- Teacher FTE has not been increased to align with an expected student enrolment increase of 71 FTE. Class sizes are smaller for primary grades than they are for intermediate and above. As the larger student population cohorts are aging up in grades, a first draft applying staffing formulas did not indicate a need to add teachers at this time.

What is
Currently
Included in the
2024/2025
Operating
Budget
Expenditures?

	FTE	BUDGET
SALARIES		
Principals/Vice-Principals	46.900	7,135,922
Teachers	450.744	43,948,224
Education Assistants	168.000	8,553,739
Indigenous and Cultural Workers	24.428	1,327,120
Clerical	64.843	3,766,879
Noon-Hour Supervisors	8.724	376,933
Custodians	53.030	3,225,560
Maintenance	13.000	1,117,656
Grounds	7.000	481,315
Tech Support	7.000	544,730
Bus Drivers / Mechanics	23.332	1,536,114
Exempt	20.000	2,500,398
Trustees	7.000	124,574
SUBTOTAL SALARIES	894.001	74,639,164
SUBSTITUTES		5,515,220

What is
Currently
Included in the
2024/2025
Operating
Budget
Expenditures?

	FTE	BUDGET
EMPLOYEE BENEFITS		
Statutory		8,328,935
Pension		8,283,745
Health		4,158,936
SUBTOTAL BENEFITS		20,771,616
SERVICES AND SUPPLIES		
Services		3,550,914
Student Transportation		341,525
Professional Development & Travel		729,574
Rentals & Leases		69,100
Dues & Fees		114,310
Insurance		335,534
Supplies		3,728,011
Utilities		1,672,900
Equipment Replacement		165,000
SUBTOTAL SERVICES AND SUPPLIES		10,706,868
OPERATING CAPITAL		45,000
TOTAL OPERATING EXPENDITURES		111,677,868

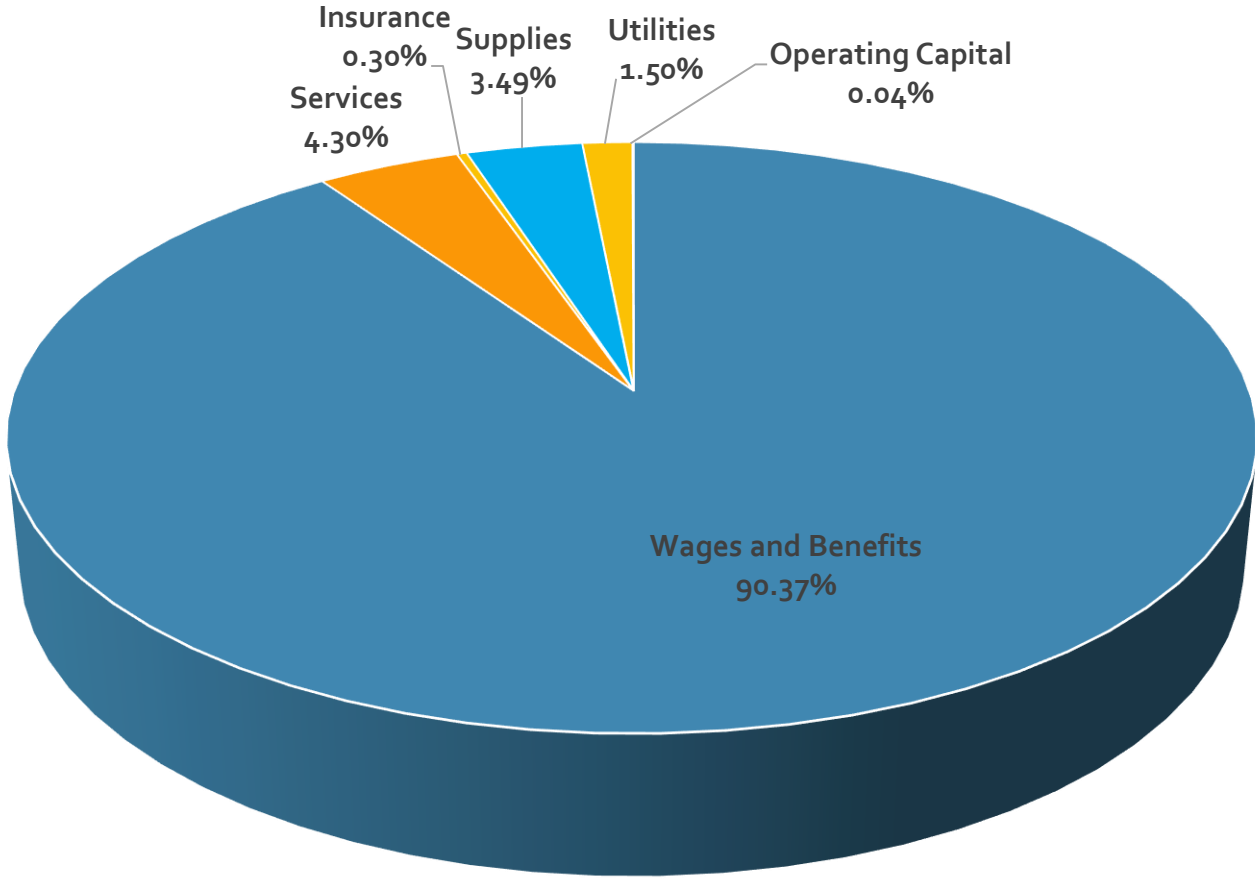
Prior Board Initiatives Rolled Over into the 2024/2025 Annual Budget Draft

Recent Board Initiative	\$	Strategic Priority
Literacy/Numeracy Programs	417,965	Learning
21st Century Furniture	75,000	Learning
Additional Mental Health Supports	70,000	Culture of Care
Strategic Plan Implementation	50,000	All
Custodial Supplies - Additional Cleaning	50,000	Learning
Additional Assessments	40,000	Culture of Care
Inclusive Education Equipment	40,000	Culture of Care
Updated Website	30,000	Future Focused Systems
Custodial Equipment Replacement	15,000	Learning
District Wide Composting	12,000	Future Focused Systems
Maintenance and Transportation Equipment Replacement	50,000	Learning
Additional Inclusive Education Supports	100,000	Learning / Culture of Care
Climate Action	20,000	Future Focused Systems
Parent Communication App. School Messenger	25,500	Future Focused Systems
Total	995,465	

When Budgeting with a Shortfall

- A budget shortfall exists when budgeted expenditures exceed budgeted revenues.
- In a budget shortfall strategies have to be implemented to create a balanced budget.
- These include:
 - The utilization of prior year surplus;
 - Reducing expenditures;
 - Increasing revenues.
- The Board has received many requests/suggestions for areas where the budget could enhance services, supplies, equipment and staffing levels. In a budget shortfall, adding to the budget becomes increasingly difficult without a corresponding reduction in another area.

Draft 2024/2025 Budgeted Expenditures



Options to Reduce the 2024/2025 Operating Budget Shortfall

(Positive numbers reduce the shortfall)

Opening Shortfall	\$ -3,574,719
Revenue Options:	
Appropriation of 2023/2024 Surplus	2,000,000
Transfer of Operating expenses to CLINK	250,000
Cancel transfer to Local Capital	250,000
Interest Revenue	<u>100,000</u>
Budget After Revenue Options	\$ -974,719
Expenditure Reduction Options:	
Enrolment based staffing adjustment	\$ 800,000
Clerical reallocation	44,000
Automated Call-Out	68,000
Coordinator	120,000
Contracts	30,000
Additional Inclusive Ed supports	<u>50,000</u>
Expenditure Reduction Options	\$ 1,112,000

Options for Additions to the 2024/2025 Budget

(Negative numbers increase the shortfall)

Budget After Expenditure Reduction Options	\$ 137,281
Expenditure Addition Options:	
StrongStart Deficit	-48,000
Child Care Itinerant	-54,000
Workplace Accommodation Equipment	-15,000
Indigenous Learner Outcomes	-100,000
Move to new Quw'utsun Secondary	-75,000
Dual Credit Tuition	<u>-50,000</u>
Budget Position After Expenditure Options	<u>\$ -204,719</u>

Projected
Surplus
Position at
June 30, 2024

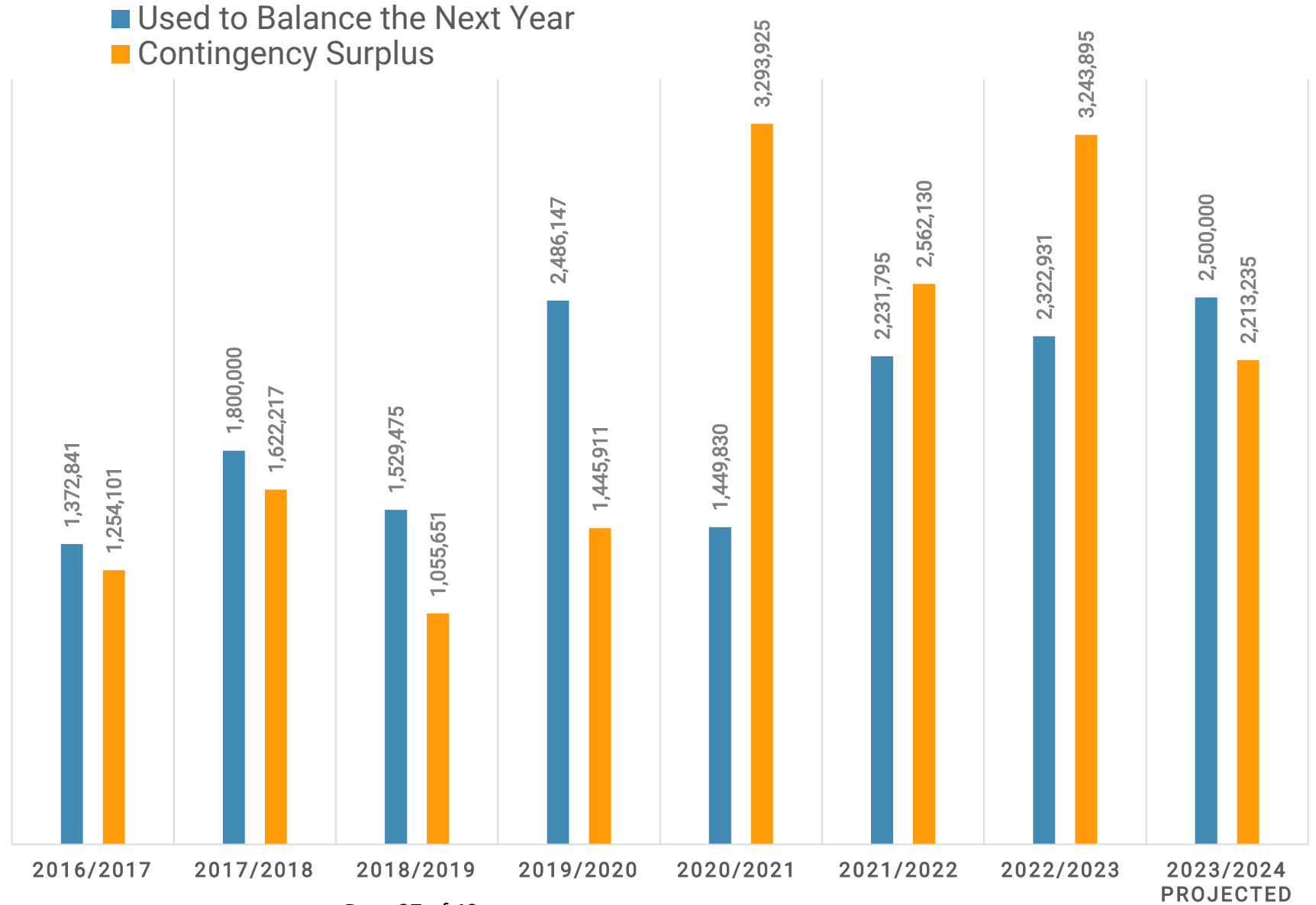
2024/2025 Annual Operating Budget

Surplus Reconciliation

	2024/2025 Annual Budget
Operating Surplus at at June 30, 2023	6,772,987
Internally Restricted :	
Offset 2023/2024 Shortfall	2,444,868
Other	1,206,161
Subtotal	3,651,029
Unrestricted Surplus	3,121,958
Surplus Projection as at March 15, 2024	1,091,277
Surplus Generated by transfer of Operating to CLINK	250,000
Surplus Generated from Cancelling Local Capital Transfer	250,000
Projected Available Surplus as at June 30, 2024	4,713,235
Proposed Surplus to Balance 2024/2025 Annual Budget	(2,500,000)
Surplus Remaining for Subsequent Years	2,213,235
% Of Operating Budget	1.98%

Surplus Utilization

SURPLUS HISTORY



Budgeting Risks

- Budgeting entails a certain amount of risk in the development of estimates.
- We can use our prior year's experience, known rates, and predicted trends to reduce the risk. An example would be establishing a budget for Hydro. We can make a calculated estimate based on those factors, but we can't predict how cold the winter will be.
- It is also important to not only consider financial risk. An overly conservative budget, while ensuring a surplus, may remove important services and opportunities for learning. I call this Learning Risk.

Options for Consideration to Balance with Risk Factors

- Utilization of additional surplus. The current proposal of accessing \$2,500,000 currently leaves \$2,213,235 of projected surplus for use in future years. A total of 1.98% of budget. The Board could explore accessing additional surplus and still stay well within the 1% to 3% contingency policy, but this will impact budgeting in future years if a generous surplus is not available.
- The Bank of Canada is expected to begin to reduce its key interest rate shortly. For every .25% change in rate, the Board's interest revenue is adjusted by \$50,000 per year (to be annualized). If the Board expects that interest rates will decline very slowly, additional interest revenues could be considered.

Special Purpose Funds

- A Special Purpose Fund is funding that is set aside for a specific purpose and has external restrictions on how it can be used. We will go into more detail on the revenues and expenditures currently budgeted within the following funds:
 - Classroom Enhancement Fund – Overhead
 - Community Link

Classroom Enhancement Fund - Teachers

- In the Fall of 2016, the Supreme Court of Canada ruled on the removal of class size and composition language from the teachers' collective agreement (2002).
- A Memorandum of Agreement (MoA) was reached between the British Columbia Teachers' Federation (BCTF), the Province of British Columbia (The Province) and the British Columbia Public School Employers' Association (BCPSEA).
- The preliminary allocation of \$9,403,634 recognizes 100% of the 2023/2024 estimate adjusted for the salary framework of 2.0% (pre SRM). The teacher component will be revisited in the Fall when the actual costs are known.

Classroom Enhancement Fund - Overhead

- For 2024/2025, funding for Overhead costs related to the MoA is \$979,114. Included in these Overhead costs are sick leave replacement for Teachers, professional development fund, Education Assistants and Human Resources support.
- The Classroom Enhancement Fund is not part of the Operating Budget. It is a Special Purpose Fund and is intended to cover only the incremental costs associated with implementing the MoA.

Proposed Classroom Enhancement Fund Overhead Budget

CLASSROOM ENHANCEMENT FUND - OVERHEAD

	2022/2023		2023/2024		2024/2025	
	FTE	BUDGET	FTE	BUDGET	FTE	BUDGET
REVENUES:						
Ministry of Education Grant		877,071		959,916		979,114
EXPENDITURES:						
Human Resources Support	1.000	96,143	1.000	93,750	1.000	105,683
Education Assistants	6.000	329,128	5.942	361,666	5.593	355,931
Leave Replacements		350,000		400,000		412,000
Inservice		75,000		75,000		75,000
Pro-D Fund Teachers		26,830		29,500		30,500
TOTAL EXPENDITURES	7.000	877,101	6.942	959,916	6.593	979,114

Community Link Fund

- Funding of \$761,512 will be in place to support the academic achievement and social functioning of vulnerable students.
- Decisions on the specific programs and services are left to school boards so that the needs of individual students and local communities are met.
- The 2024/2025 Budget includes the following:
 - Itinerant behaviour intervention workers;
 - Student Support Workers;
 - Funding for the Early Years Coordinator and Clerical Support.

Proposed Community Link Budget

COMMUNITY LINK

	2022/2023		2023/2024		2024/2025	
	FTE	BUDGET	FTE	BUDGET	FTE	BUDGET
REVENUES:						
Ministry of Education Grant		681,913		739,939		761,512
TOTAL REVENUES		681,913		739,939		761,512
EXPENDITURES:						
Early Learning						
Staffing	0.571	31,735	1.571	177,263	2.000	245,559
Services and Supplies		12,000		12,000		31,000
Total Early Learning	0.571	43,735	1.571	189,263	2.000	276,559
Food Programs						
Staffing	1.929	92,421	-	-	-	-
Food		167,453		-		-
Total Food Programs	1.929	259,874	-	-	-	-
Social, Emotional and Behaviour Supports	6.200	378,304	7.780	550,676	7.264	484,953
TOTAL EXPENDITURES	8.700	681,913	9.351	739,939	9.264	761,512

Other Special Purpose Funds

- **Learning Improvement Fund – Support Staff:** The District will receive \$363,045 to continue to add Education Assistant supports in classrooms. The allocation of these funds is done in agreement with CUPE and currently provides an hour a week for collaboration time.
- **Annual Facility Grant:** To date only the operating portion of the Annual Facility Grant has been announced. This \$384,142 will be received to support capital upkeep of buildings such as painting, roofing, window replacement, etc. The yet-to-be-announced funding allocated as a Special Purpose Fund will come through the Capital Bylaw process.

Multi-Year Budget Planning

When preparing a multi-year budget projection, a number of assumptions are necessary. These include:

- Student enrolment;
- Staffing levels;
- Projected salary increases;
- Projected per-pupil student rates;
- Inflation;
- Future surplus/deficit generation;
- Multi-year initiatives;
- One-time initiatives.

Multi-Year Budget Planning

- The assumptions must then be built into a projection model that calculates:
 - Estimated changes in the per-pupil rates;
 - A projected Ministry of Education and Child Care grant;
 - Wage increases;
 - Benefit increases;
 - Surplus utilization.
- The following table utilizes an assumption of a 2% funded wage increase in 2025/2026 and 2026/2027 and inflation stabilization to 2.0% in both of those years.

	Actual 2022/2023	Budget 2023/2024	Budget 2024/2025	Projected 2025/2026	Projected 2026/2027
Revenues					
Provincial Grants					
Ministry of Education	87,723,359	92,575,350	97,442,669	99,710,208	101,722,911
Other	358,208	216,000	277,740	277,740	277,740
Tuition	2,064,220	2,000,000	2,000,000	2,000,000	2,000,000
Other Revenue	7,579,157	7,278,534	7,482,740	7,482,740	7,482,740
Rentals and Leases	166,980	150,000	150,000	150,000	150,000
Investment Income	858,067	750,000	850,000	600,000	500,000
Total Operating Revenue	98,749,991	102,969,884	108,203,149	110,220,688	112,133,391
Expenses					
Salaries					
Teachers	39,293,372	42,720,371	43,848,224	44,874,319	45,756,531
Principals and Vice Principals	6,518,353	6,336,600	7,135,922	7,278,640	7,424,213
Educational Assistants	8,758,350	9,082,878	9,240,859	9,425,676	9,614,190
Support Staff	9,979,579	10,558,768	10,970,787	11,190,203	11,414,007
Other Professionals	2,349,517	2,482,874	2,624,972	2,677,471	2,731,021
Substitutes	4,958,948	5,210,172	5,555,220	5,666,324	5,779,651
Total Salaries	71,858,119	76,391,663	79,375,984	81,112,634	82,719,612
Employee Benefits	16,885,584	18,626,258	20,572,016	21,022,107	21,438,590
	23.50%	24.38%	25.92%	25.92%	25.92%
Total Salaries and Benefits	88,743,703	95,017,921	99,948,000	102,134,741	104,158,203

	Actual 2022/2023	Budget 2023/2024	Budget 2024/2025	Projected 2025/2026	Projected 2026/2027
Services and Supplies					
Services	3,544,353	3,280,436	3,668,914	3,742,292	3,817,138
Student Transportation	354,396	276,525	341,525	351,771	362,324
Professional Development and Travel	615,286	610,900	729,574	744,165	759,049
Rentals and Leases	67,161	67,100	69,100	70,482	71,892
Dues and Fees	130,407	114,310	114,310	116,596	118,928
Insurance	243,141	250,534	335,534	342,245	349,090
Supplies	3,738,753	3,775,643	3,983,011	4,062,671	4,143,925
Utilities	1,551,230	1,610,580	1,672,900	1,706,358	1,740,485
Reductions yet to find	-	-	(204,719)	(204,719)	(204,719)
Total Services and Supplies	10,244,727	9,986,028	10,710,149	10,931,862	11,158,111
Total Operating Expenses	98,988,430	105,003,949	110,658,149	113,066,603	115,316,314
Net Revenue (Expense)	(238,439)	(2,034,065)	(2,455,000)	(2,845,914)	(3,182,923)
Interfund Transfers	(143,952)	(288,866)	(45,000)	(45,000)	(45,000)
Use of Accumulated Surplus		2,322,931	2,500,000	2,890,914	3,227,923
Operating Surplus for the Year	(382,391)	-	-	-	-
Operating Surplus (Deficit), beginning of year	7,155,378	6,772,987	4,713,235	2,963,235	822,321
Surplus Use or Accumulation	(382,391)	(2,444,868)	(2,500,000)	(2,890,914)	(3,227,923)
Restricted for Future Use		(1,206,161)			
Projected Surplus		1,591,277	750,000	750,000	750,000
Operating Surplus (Deficit), end of year	6,772,987	4,713,235	2,963,235	822,321	(1,655,602)

The Next Steps

- The Board will be considering the priorities of the Strategic Plan when discussing options to balance the Budget.
- Feedback will be reviewed, options explored, and draft budget development instructions issued at the Regular Board Education and Business Committee Meeting of April 23.
- A Special Board Education and Business Committee will be held on April 25 to recommend the 2024/2025 Annual Budget to the Board.
- The Board will receive a balanced budget for consideration at the May 7 Open Board Meeting.
- Staffing processes for the 2024/2025 school year will begin on May 8.

Questions /
Comments
from Trustees

