

# **Proposed Annual Budget 2018-19**

**North Okanagan-Shuswap  
School District No. 83**

**May 22, 2018**



## **Overview**

As is required by the *School Act*, the Board prepares and adopts an Annual Budget on or before June 30<sup>th</sup> of each year.

For 2018-19, School District No. 83 is in a position to implement a balanced budget which represents a status quo operation plus the costs to accommodate enrolment growth and meet the BCTF restored Collective Agreement language. This is due to the following factors:

- A projected increase in enrolment;
- Maintenance of internal funding allocations made in the 2017-18 budget;
- Preliminary allocations from the Ministry of Education for the operating grant which addressed negotiated wage increases as well as an increase enrolment across the province;

## **2018-19 Annual Budget Development Process**

During the 2018-19 budget development process, the District has worked to have:

- An open process allowing for consultation and two-way communication;
- Public awareness of the budget process and the expenditure of public funds to support the educational programs and district operations in the district.

The School District No. 83 Budget Committee is Chaired by the Official Trustee and includes representatives from:

- Senior Leadership
- District Management
- Principals and Vice-Principals
- First Nations Education Council
- Canadian Union of Public Employees (CUPE – Local 523)
- North Okanagan-Shuswap Teachers Association (NOSTA)
- District Parent Advisory Council (DPAC)

The Budget Committee met six times throughout the budget development process.



Committee work to-date has included:

- Reviewing budget changes for the last 3 years;
- Identifying cost pressures of the district;
- Receiving in-depth presentations on district department budgets;
- Considering budget enhancement requests from departments and various stakeholders; and,
- Discussing/providing feedback on proposed budget enhancements.

The Budget Committee has also received input through the budget development process from a number of individuals and groups. The Official Trustee and district staff have held a public budget meeting, and worked with management staff throughout the district to collect information to help develop a balanced budget.

The 2018-19 Annual Budget recommendations are being presented for approval at the May 22, 2018 Public Board meeting. The Annual Budget Bylaw will be presented for three readings and adoption at the June 19, 2018 Public Board meeting.

### **Budget Background Information**

The Annual Budget is a consolidation of three separate funds which are restricted for certain purposes – Operating Fund, Special Purpose Fund, Capital Fund.

The focus of this report will be on the Operating Fund, although information on the Special Purpose Fund and Capital Fund are provided at the end of the report.

## **OPERATING FUND**

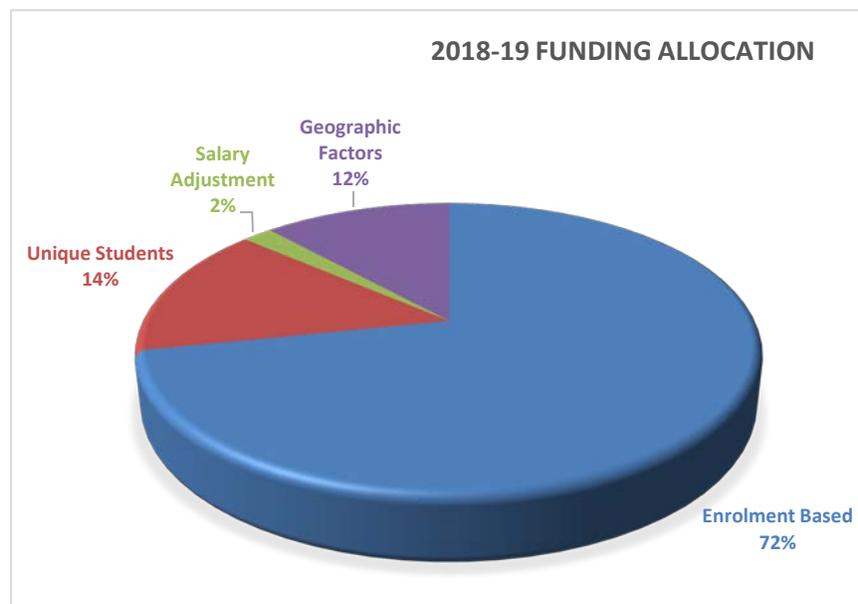
The operating fund includes operating grants and other revenues which are used to fund instructional programs, school and district administration, facilities operations, maintenance and transportation.

This is the majority of the school district funding and provides for the salary and benefit costs of employees and other services and supplies related to the ongoing operations of the school district.

### **Operating Fund - Revenues**

The majority of operating revenue for the District (96%) is derived from the Ministry of Education’s Operating Grant. The Province establishes this grant annually for public education using a funding allocation system that is intended to ensure equity across all districts in British Columbia.

The allocation system is based primarily on enrolment with further allocations based on unique demographic or district characteristics. Since enrolment is the primary driver in the formula, all budget planning begins with a projected enrolment figure for the next school year.



The other sources of revenue include other provincial grants, locally generated revenue (fees and rentals), and surplus carry forwards from the previous year.



### **Operating Fund - Expenditures**

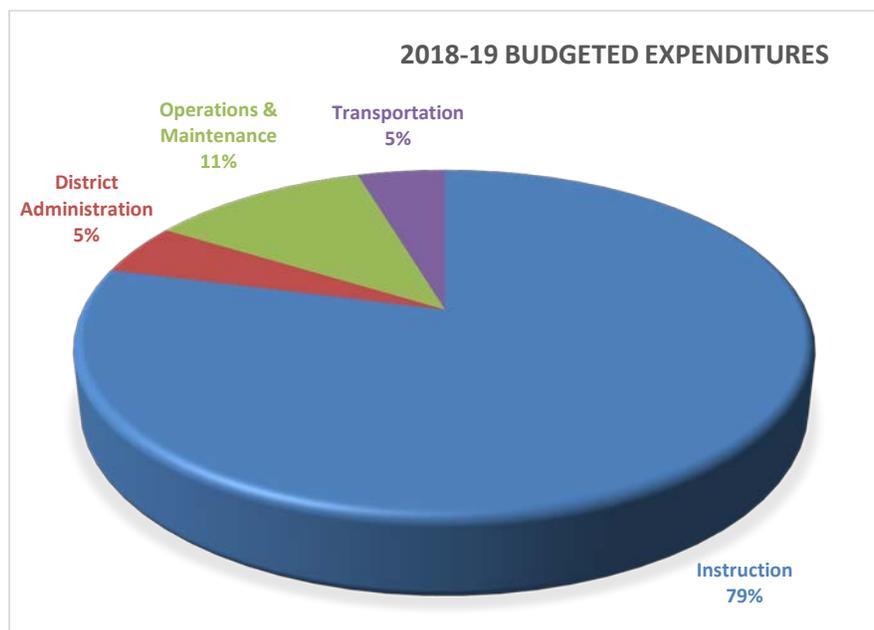
Boards of Education manage and distribute their operating funding allocation based on local spending priorities. Allocations are then identified and categorized into four major program areas. These include:

**Instruction** – approximately 79% of the operating budget will be spent on instruction related costs. These include school-based teachers, education assistants, school administrators, and school based support staff and supplies. Instructional programs are categorized as General Instruction, Career Programs, Library Services, Counselling, Special Education, English Language Learning, Aboriginal Education, and School-Based Administration.

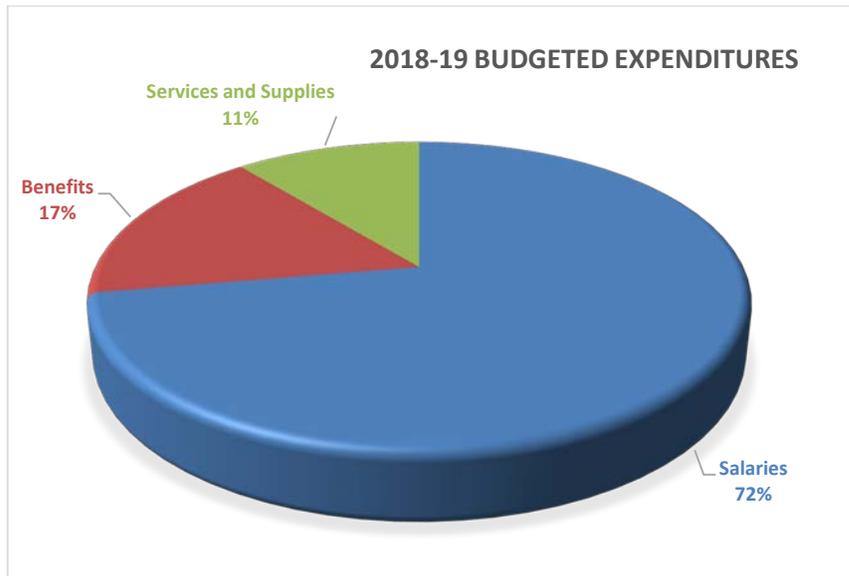
**District Administration** – approximately 5% of the operating budget will be spent on district administration. This includes Educational Administration, Business and Human Resource Services, and Governance.

**Operations and Maintenance** – approximately 11% of the operating budget will be spent on operations and maintenance related services which are required to operate and maintain all school district facilities.

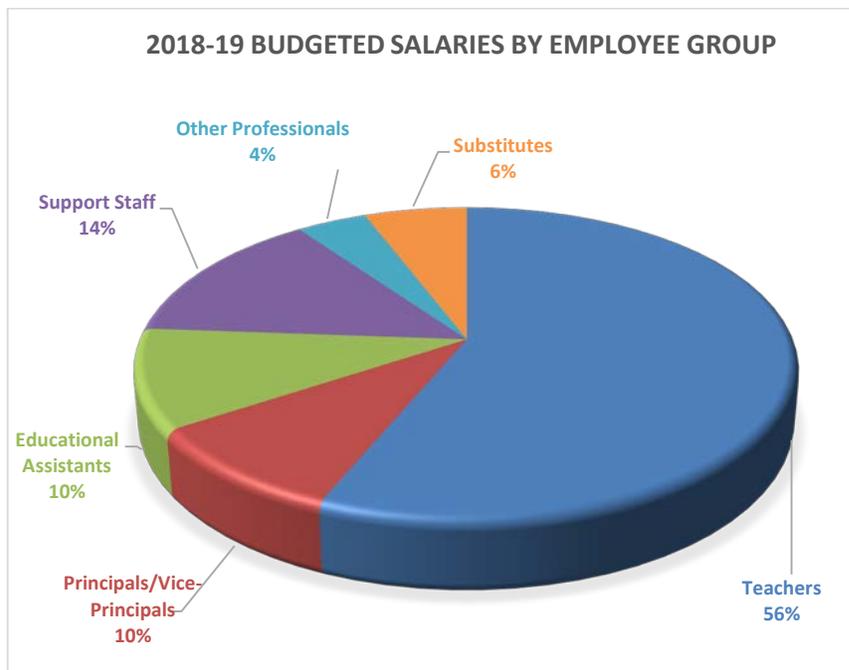
**Transportation** – approximately 5% of the operating budget will be spent on the transportation of students to and from school.



Approximately 89% of the operating budget is spent on salaries and benefits, while services, supplies and utilities represent 11%.

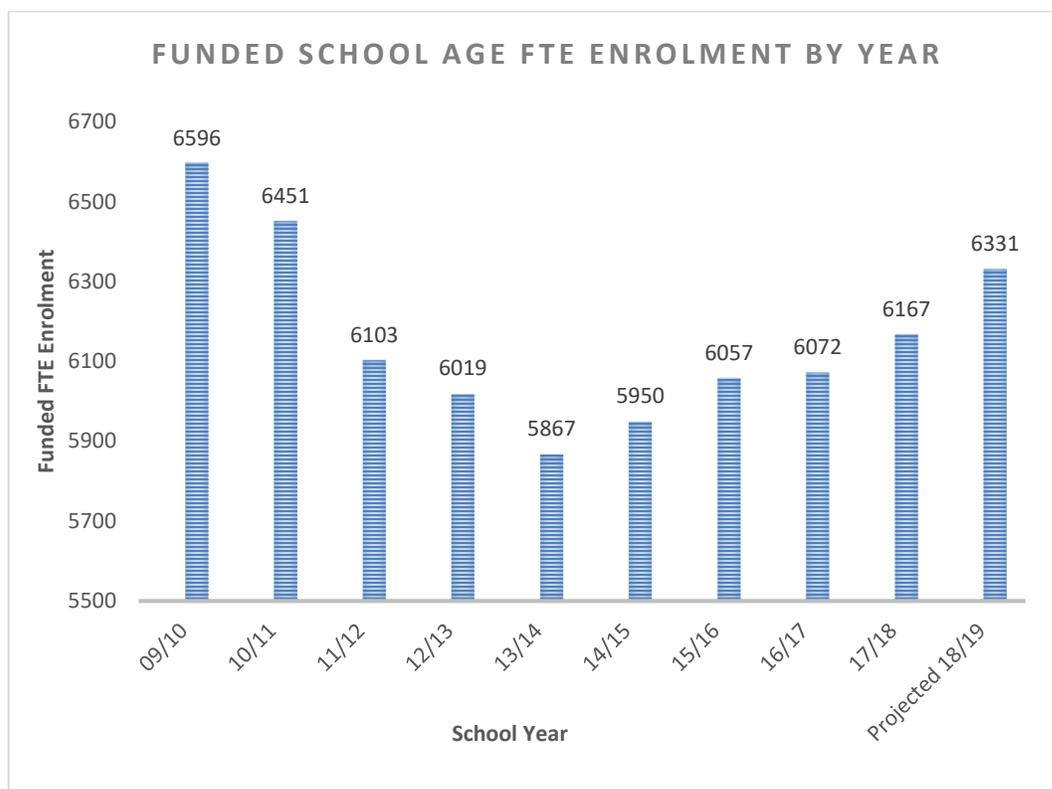


Salaries are broken down into six main categories: Teachers, Support Staff, Educational Assistants, Principals/Vice-Principals, Other Professionals, and Substitutes.



### **Student Enrolment History**

The enrolment information presented in this section is based on actual September enrolment for 2009-10 to 2017-18, and projected September enrolment for 2018-19.



Projected enrolment increases for the 2018-19 school year include the following:

- An increase in funded school aged students – 164 FTE
- An increase in students with special needs – 34 FTE
- A decrease in Aboriginal Education identified students – 32 FTE
- An increase in English Language Learners – 16 FTE



## **Proposed 2018-19 Annual Operating Fund Budget**

In accordance with the *School Act*, school districts in the province must approve a balanced budget and submit it to the Ministry of Education by June 30, 2018.

### **Base Operating Budget**

The District's base operating budget is a "status quo" budget, which means that all revenues and expenditures remain unchanged from the prior year (other than any one-time costs that are funded from prior year surpluses, which are removed). All current ongoing programs and services and staffing levels are expected to continue.

The district then makes any necessary adjustments to the base budget to reflect any known or anticipated changes, such as increases or decreases in revenues, salaries, benefits, or utilities.

### **Operating Budget Changes and Recommended Adjustments**

*A summary of the Budget Changes and Recommended Adjustments is included in Appendix A.*

### **2018-19 Budget Changes**

#### **Section A – Revenue**

Revenues are projected to increase by \$2,819,987 in 2018-19.

Funding for enrolment growth and increases in funding to offset the costs of negotiated salary and benefit costs for teachers and CUPE staff has resulted in an additional \$2,699,849 in revenues.

Increases in other supplemental grants (salary differential, unique geographic factors, BC Education Plan) have resulted in an additional \$270,138 in revenues.

In the prior year, the District took advantage of a Benefit Premium Holiday that allowed for savings throughout the year of approximately \$150,000. This was a one-time savings and this year it has to be put back into the system as a reduction in revenue.



## **Section B – Cost Increases (Decreases)**

Additional district costs are projected to increase by \$953,750 in 2018-19.

There are a number of cost pressures related to maintaining the ongoing level of programs and services in the district that are out of the district's control. These include the following:

- Negotiated increases for CUPE staff (1.9%) and NOSTA staff (1.9%)
- Known/anticipated increases for PVP/exempt staff (2%)
- Anticipated benefit cost increases
- Anticipated utility cost increases
- Costs related to board governance (one-time trustee election costs, restoration of trustee budgets)
- Recommended contingency amount to address unknown and/or unexpected cost pressures that may arise during the year

## **Section C – Enrolment Increases**

Total costs associated with enrolment increases are estimated to be \$984,776 in 2018-19.

Additional adjustments need to be made for anticipated enrolment increases. These affect staffing requirements, service and supply allocations, and any adjustments required to support students with unique needs.

The projected increase in enrolment will require 6.0 FTE additional classroom teachers (elementary/high school), 0.9 FTE learning resource teacher, 0.3 FTE counselling, 6 additional education assistants, an increase in custodial time, additional school supply allocations, and an increase in administrative time for principals at schools with an increase in students.

## **Section D – South Canoe – Outdoor Learning Program**

An Outdoor Learning Program is being opened at South Canoe Elementary in September 2018. The operating costs associated with running an Outdoor Learning Program are estimated to be \$282,020.

These costs include a principal, secretary, lunch hour supervisor, custodial time, school supplies, utilities and maintenance, and some technology costs. The cost of the additional teacher is captured above in the costs related to enrolment increases.



## **2018-19 Recommended Budget Adjustments**

After accounting for all of the costs associated with enrolment increases, opening an Outdoor Learning Program, and cost pressures outside of the district's control, there is approximately \$600,000 left in the budget. The information provided below is to help explain and give information regarding the recommendations that are being made to balance the preliminary budget.

### **Section E – Instruction Program Changes**

1. School Supply Allocations - recommended increases to school supply allocations include increasing base allocations for elementary and middle schools, providing release time for School Improvement Plans, and a small school supplement for schools with less than 150 students. There is also a transportation subsidy amount recommended for high schools that no longer have access to an activity bus. The recommended increase in costs for school supply allocations is \$128,914.
2. Occupational Therapist/Physiotherapist – recommended addition of 0.4 FTE to existing position to support needs in the district. The cost is approximately \$38,732.
3. Inclusive Support Program (ISP) – recommended addition of 0.4 FTE teacher to support Len Wood Middle School. Additional funds are required to provide prep time for the ISP teachers in the district. The total cost is approximately \$81,232.
4. Report Card Initiative – recommended addition of \$4,000 to cover transportation costs related to early dismissal of students for parent/teacher meetings.
5. Instructional Learning Team (ILT) – recommended addition of 0.2 FTE for 10 teachers (total 2.0 FTE) to fully implement the new curriculum, as well as a 0.2 FTE ILT Team Lead and Position of Special Responsibility allowances for the teachers. The total cost is approximately \$242,787. This initiative was started this year and has been funded out of surplus funds from the prior year.
6. Sexual Health/SOGI Lead – recommended addition of a 0.4 FTE teacher to address needs in the district. The cost is approximately \$38,732.
7. SPARK Program – recommended addition of a 1.0 FTE teacher to support the SPARK Program at Pleasant Valley Secondary. The cost is approximately \$96,830. This program was an initiative that started this year and has been funded out of surplus funds from the prior year.



8. Substitute/Replacement Budget – a recommended increase of \$17,214 to support professional learning for teachers in the district.

### **Section F – Administration/Operations/Maintenance Changes**

9. Educational Administration– a recommended increase of \$19,000 in services and supplies to address increases in annual software licensing costs and to assist schools with school fee hardships.
10. District Music Program – an overall recommended reduction of \$12,000:
  - a. Reduction of 0.2 FTE District Vice-Principal to Teacher Coordinator - (\$20,000)
  - b. Addition of clerical time - \$8,000
11. Principal/Vice-Principal – reductions of 2.0 FTE have taken place over the last 2 years that haven't been reflected in the budget – a savings of approximately \$220,000.
12. Business Administration – a recommended addition of \$5,000 in services and supplies to provide a relocation allowance budget in Human Resources department.
13. Technology – recommended increase of \$5,000 to address increases in annual software licensing costs.
14. Operations/Maintenance - recommended restoration of \$50,000 snow removal budget and an additional \$10,000 for operations/maintenance supplies and materials.
15. Painter – recommended restoration of painter position. The cost is approximately \$80,000.
16. Custodial Lead Hand – recommended addition of custodial lead hand position. The cost is approximately \$14,000.

It is also being recommended that:

- 0.1 FTE of the District Principal, Indigenous Education's assignment be paid for out of core funding. The rationale for this is that the position of District Principal, Indigenous Education is responsible for managing the Local Education Agreement between the school district and the four local bands.



- 0.3 FTE of the Indigenous Education Helping Teacher's assignment be paid for out of core funding. The rationale for this is that the Helping Teacher role includes spending a large portion of their time assisting schools and teachers throughout the district with the implementation of the new curriculum's focus on Indigenous Understandings.

**These recommended budget adjustments result in a balanced 2018-19 Preliminary Budget.**

***Management is recommending that these Budget Adjustments are approved in order to adopt a balanced 2018-19 Annual Operating Budget at the June 19, 2018 Board Meeting.***



## **SPECIAL PURPOSE FUND**

The special purpose fund is comprised of separate funds that are externally restricted and can only be used for specific programs and approved expenses.

The following is a summary of special purpose funds:

<b>Fund</b>	<b>Revenue</b>
Annual Facility Grant	\$ 342,430
Learning Improvement Fund	255,712
Scholarships and Bursaries	9,000
School Generated Funds	1,800,000
Strong Start	192,000
Ready, Set, Learn	39,200
OLEP	153,222
Community Link	317,649
Rural Education Enhancement Fund	213,353
Classroom Enhancement Fund	4,178,597
<b>TOTAL</b>	<b>\$ 7,501,163</b>

### **Annual Facility Grant (AFG)**

This fund was established to account for Ministry of Education grants and expenditures relating to annual facility maintenance projects.

AFG funds may be spent for the purpose of:

- Upgrading or replacing existing facility components throughout the expected economic life of an existing capital asset;
- Enhancing the service potential of an existing capital asset or a component of an existing capital asset by correcting deficiencies in design or construction and unsafe condition;
- Significantly lowering the associated operating costs of an existing capital asset; or
- Extending the life of an existing capital asset or a component of an existing capital asset beyond its original life expectancy.

The AFG funding allocation for School District No. 83 for 2018-19 is \$342,430.



## **Learning Improvement Fund**

The Learning Improvement Fund (LIF) was established by the province for the purpose of providing additional resources, specifically targeted to support complex classes that present challenging learning conditions. Districts can allocate these funds to improve the learning conditions for all students and to support teachers in meeting classroom needs.

For 2018-19, the LIF support staff component has been retained and the Teacher Education Fund component has been transferred to the Classroom Enhancement Fund.

The total LIF support staff grant for School District No. 83 is \$255,712.

District are required to submit a spending plan to the Ministry of Education by October 2018 for approval. To develop the spending plan, district staff work collaboratively with CUPE.

## **Scholarships and Bursaries**

Scholarships and bursaries are established and awarded through the generosity of individuals and corporations in our community.

School District No. 83 administers over 30 different scholarships and bursaries.

## **School Generated Funds**

This fund represents the accumulated funds held by individual schools. Each school has its own bank account and records the funds received and disbursed throughout the year. These funds are raised at the school level through fundraising, cafeteria revenue, and various other activities.

The school generated funds are intended to be used to fund activities that directly benefit the students in the school.

## **Strong Start**

The Ministry of Education funded Strong Start program allows parents to participate with their young child (aged birth to five) in play-based early learning activities, including stories, music and art. At no cost to families, this early learning drop-in program helps prepare children for success in kindergarten.



School District No. 83 has 6 Strong Start centers located at the following schools: South Broadview Elementary, M.V. Beattie Elementary, Parkview Elementary, Highland Park Elementary, the District Education Support Center, and an Outreach program which is shared between Carlin Elementary, Falkland Elementary, Sorrento Elementary, and North Shuswap Elementary.

The total Strong Start funding for 2017-18 was \$192,000. The funding for 2018-19 has not been announced; however, no change in funding is expected.

### **Ready, Set, Learn**

The Ready, Set, Learn funding provided by the Ministry of Education allows the district to facilitate community events targeted towards 3-year old children. The events are about providing good information on how to support a young child's early learning and development, and how to help develop positive connections between families, the school system and local community agencies.

The total Ready, Set, Learn funding for 2017-18 was \$39,200. The funding for 2018-19 has not been announced; however, no change in funding is expected.

### **Official Language Education Program (OLEP)**

The Ministry of Education administers federal funding intended to support incremental costs resulting from offering French as a second language instruction in BC.

All French funding is to be spent by June 30<sup>th</sup> of each year, and a report must be submitted to the Ministry of Education outlining how funds were spent and what benefits were derived from this funding.

The total OLEP funding for 2018-19 is \$153,222.

### **Community LINK**

Community LINK (Learning Includes Nutrition and Knowledge) funding from the Ministry of Education is designed to support the academic achievement and social functioning of vulnerable students. Programs and services can include breakfast, lunch and snack programs, academic supports, counseling, youth workers and after-school programs.

Total Community LINK funding for 2018-19 will be \$317,649.



### **Rural Education Enhancement Fund**

The district is receiving \$213,353 in Rural Education Enhancement Funds to keep Silver Creek Elementary open. The amount received reflects the amount of money that would have been saved if the school was closed.

### **Classroom Enhancement Fund**

On March 10, 2017, the Ministry of Education, the BC Public Schools Employers Association and the BC Teachers Federation ratified a *Memorandum of Agreement pursuant to Letter of Understanding (LoU) No. 17, to the 2013-2019 BCPSEA-BCTF Provincial Collective Agreement*. The Memorandum of Agreement fully and finally resolves all matters related to the implementation of the Supreme Court of Canada decision from the fall of 2016.

The ratification of this agreement resulted in the establishment of a \$360 million Classroom Enhancement Fund to address the additional teacher and corresponding overhead costs throughout the province associated with this Memorandum of Agreement.

The notional allocation to School District No. 83 for 2018-19 is \$4,178,597, of which \$3,721,490 is targeted for teacher salary and benefit costs and \$457,107 for overhead costs.

School districts were required to submit preliminary staffing plans to the Ministry of Education by April 30, 2018. Submissions are being reviewed by the Ministry of Education and the notional allocations may be adjusted accordingly.

Final staffing plans are to be prepared once fall 2018 staffing is known (October 2018), and final 2018-19 allocations will be confirmed with the operating grant recalculation in December 2018.



## **CAPITAL FUND**

The capital fund includes capital expenditures related to the renovation, replacement and purchase of property, buildings, buses, vehicles, furniture and equipment.

The district receives funding from the Ministry of Education for specific approved capital projects. These projects are typically funding through bylaw capital and certificates of approval/lines of credit.

Purchases of computers, equipment, furniture, vehicles and other improvements that are required to be capitalized, need to be funded out of operating revenues but purchased through the capital fund. Budgets are established to cover the cost of these items through a transfer to Local Capital (\$700,000).

## **NEXT STEPS**

The approval and implementation of the above changes will provide the basis for a balanced 2018-19 Annual Budget as required by legislation.

The Human Resources department will commence work on processes to ensure any staffing changes are carried out in compliance with all regulatory requirements and consistent with board guidelines.

**The Board must prepare an annual budget and have it adopted by bylaw on or before June 30, 2017 and it must be submitted to the Ministry of Education by this date.**

**The 2018-19 Annual Budget and Bylaw will be presented to the Official Trustee of School District No. 83 (North Okanagan-Shuswap) on June 19, 2018 for three readings.**