

# Coquitlam Board of Education

## 2014/2015 Budget Presentation

April 1, 2014  
Townhall Meeting



# Agenda

1. District Profile and Achievements
2. Types of Budgets
3. Operational Budget Funding – how we are funded and funding for 2014/15
4. Operational Budget Expenses – how we spend our funding
5. Cost Pressures for 2014/15

# School District No.43

- Serves the communities of Coquitlam, Port Moody, Port Coquitlam, Anmore and Belcarra.
- Contains 5.8% of provincial enrolment, which is approximately 31,000 students.
- 3<sup>rd</sup> largest school district in the province
- Schools
  - 45 Elementary
  - 13 Middle
  - 10 Secondary (inc. C.A.B.E)
  - Other alternate and alternative schools



# Program Delivery



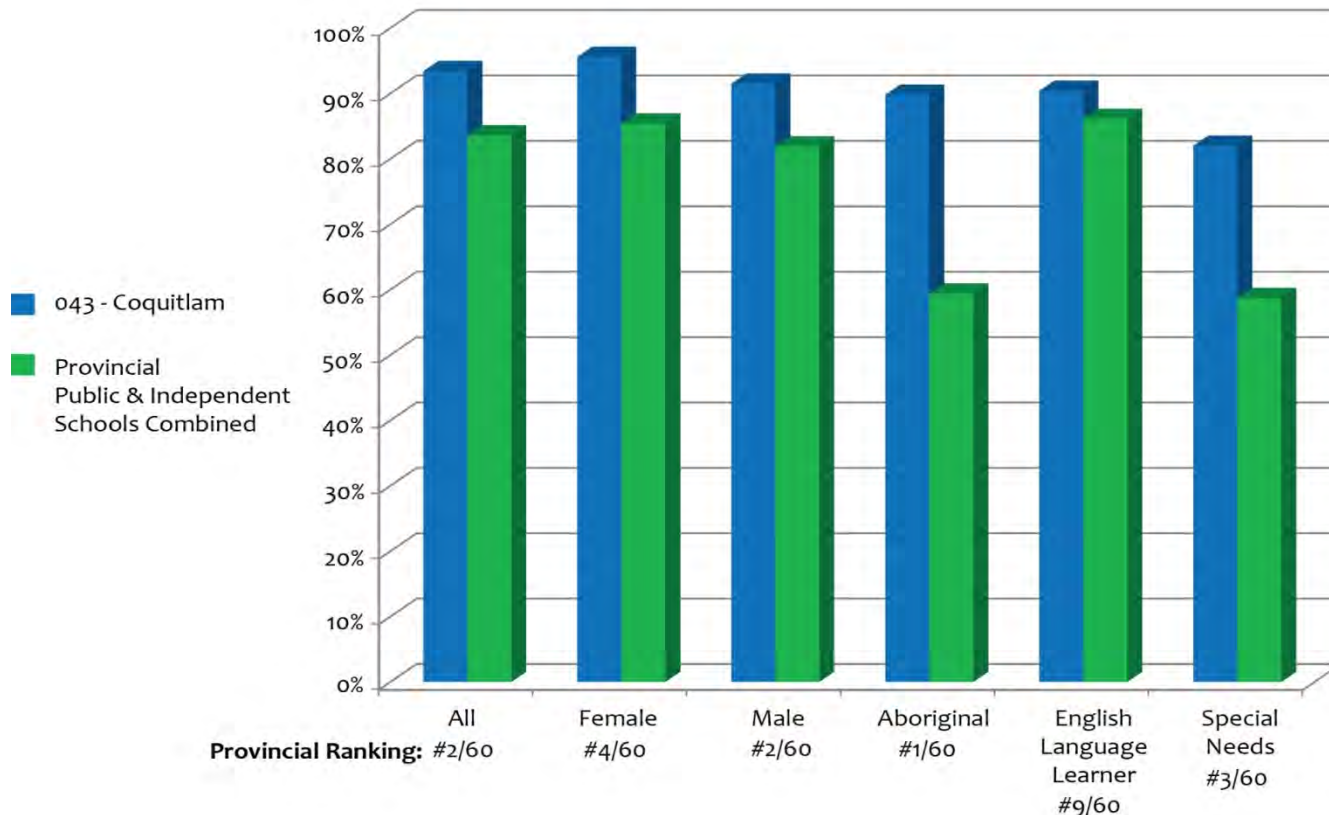
The Coquitlam School District has embraced individualized learning through expanded programs of choice and alternative educational offerings including:

|                                    |   |
|------------------------------------|---|
| <b>International Baccalaureate</b> | Internationally recognized university-level course credit program   |
| <b>Montessori</b>                  | Programs throughout the district place emphasis on individual student choice in learning  |
| <b>Reggio</b>                      | Encourages children and their teachers to explore, question, discover   |
| <b>Coquitlam Open Learning</b>     | Online and blended secondary-level courses leading to graduation  |
| <b>Inquiry Hub</b>                 | Challenges secondary students to frame learning activities around inquiry questions by blending online and classroom activities |
| <b>Suwa'lkh</b>                    | Culturally relevant curriculum to support Aboriginal and non-Aboriginal students through unique learning opportunities          |
| <b>Encompass</b>                   | K-9 and 10-12 program options blending home and school-based learning opportunities   |
| <b>SWIS</b>                        | School-based settlement services for families new to Canada   |
| <b>Continuing Education</b>        | Adult course offerings leading to graduation or post-secondary  |
| <b>ELSA</b>                        | English Language Services for Adults  |

# Achievement Levels

*Student achievement results show performance significantly above both the national and provincial norms on almost every measure. Our goals are focused on helping our students to acquire a series of attributes to help prepare them for the uncertainty of life in the 21st Century.*

*These include helping students to become  
Learners, Thinkers, Innovators, Collaborators, Contributors.*



# Types of Budgets



## Capital Budget

- Buildings
- Fields
- Infrastructure

## Operating Budget

- Learning
- Teaching
- Programs
- Administration



## Special Purpose Funds

- Specific time frame (12 month, 24 month)
- Specific function
- Examples: Learning Improvement Fund, Annual Facilities Grant, Community Link

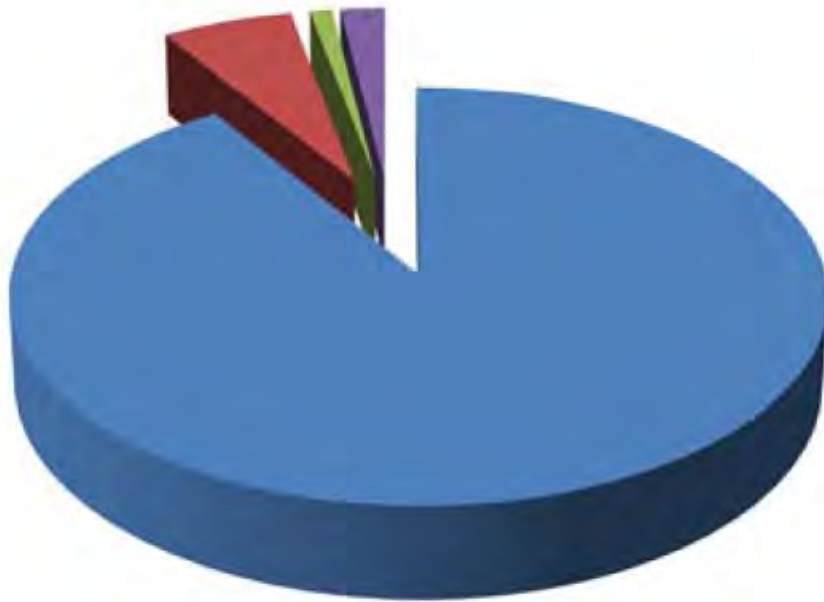


# Funding

- The vast majority of school funding comes from provincial grants through the Ministry of Education.
- The Coquitlam School District derives additional revenue from a strong international education program, Learning Innovation Network (LINC), continuing education, rental of facilities, investment income, etc.
- The operating budget in 2014/15 is expected to be \$270 million.



# 2014/15 Budgeted Revenues By Source



- Ministry of Education \$248.5 M = 92%
- International Education \$16.5 M = 6%
- Continuing Education \$1.6 M = 0.6%
- Other Fees & Revenue \$3.1 M = 1%



# Provincial Funding

- There is no increase in operating grants for the educational system for the 2014/15 year.
- Provincial funding for education has not kept up with inflation.
- 39 school districts are reporting declining enrolment and therefore they receive funding protection, that is funding supplements of \$39.5 M.
- This translates to the Coquitlam School District “redistributing” \$2.26M for the 2013/14 year to school districts with funding protection.



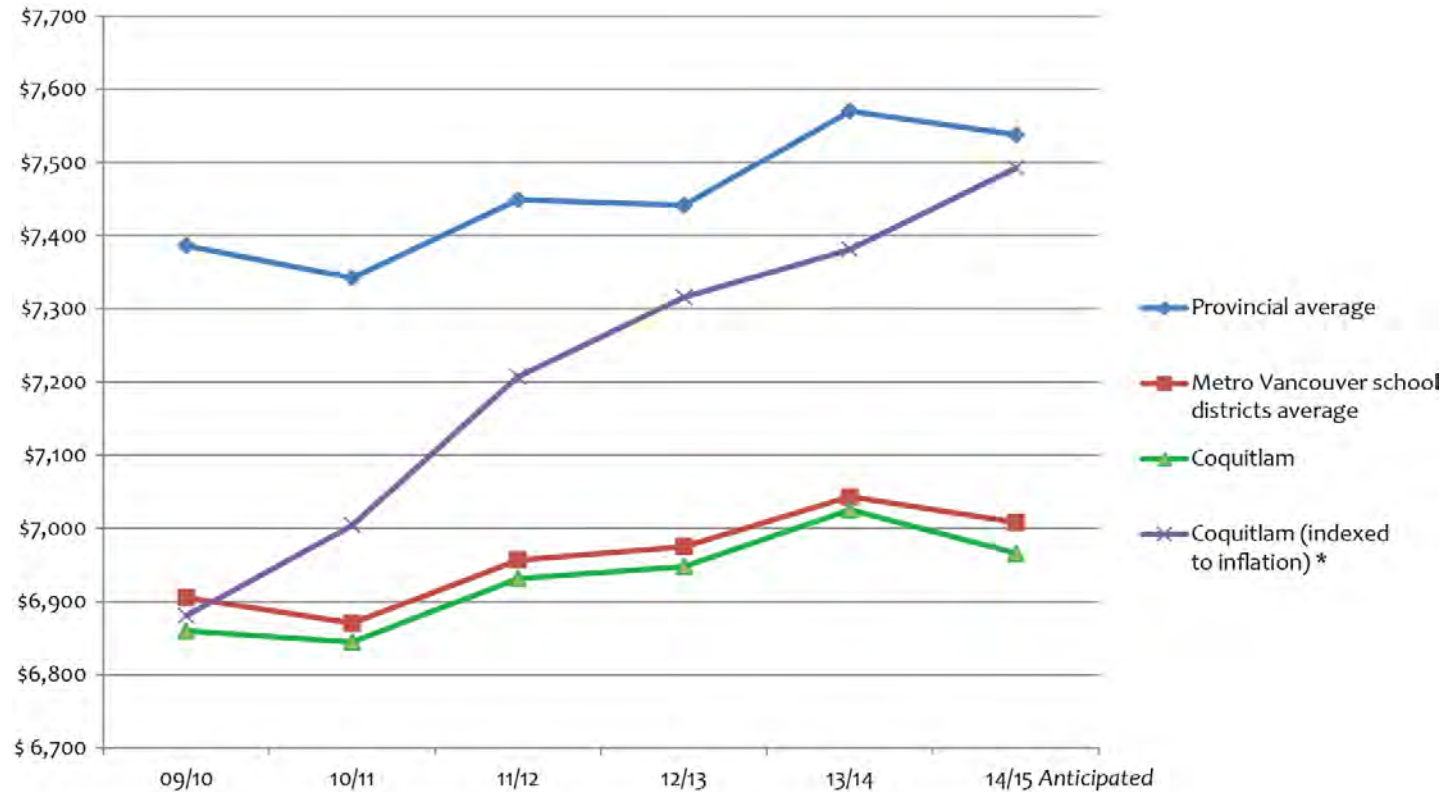
# Grant Funding Comparisons

- When comparing total grants\* Coquitlam falls short of the Provincial average. For 2013/14:
  - Provincial Average = \$7,570 per student
  - Coquitlam = \$7,025 per student
- On this basis Coquitlam ranks 56 out of 60 school districts (or 4<sup>th</sup> lowest in funding) and within \$5 of the lowest ranking school district.
- Larger school districts tend to receive less funding per student. Out of the 19 school districts below the provincial average for funding, 16 of these are in the top 20 by size.

*\*Excludes special student needs and teacher salary differential from the student grant calculation.*



# Rates of Funding and Inflation



\* inflation reflects the Consumer Price Index, for 2014/15 the 5 year average inflation was applied.  
 Note that Ministry of Education funding for 2014/15 is based on current figures provided by the Ministry.



# Rates of Funding and Inflation

- When comparing total grants\* Coquitlam will see a decrease next fiscal year as will the Provincial average. For 2014/15:
  - Provincial Average = \$7,538 per student
  - Coquitlam = \$6,966 per student
- If total grants had kept up with inflation since 2009/10, Coquitlam would have received \$7,492 per student.
- The difference of \$526 per student for 2014/15 between what is expected and the amount adjusted for inflation is significant. Considering a population of approximately 31,000 students, there is a funding shortfall of \$16.3M.

*\*Excludes special student needs and teacher salary differential from the student grant calculation.*



# Placing Instruction First

- The Coquitlam School District has always placed students at the forefront of decision making when it comes to budgets.
- The District spends more of its budget on Instruction and less on Administration compared to the provincial average across School Districts.
- The Coquitlam School District's long standing commitment to protecting learning in the classroom is evidenced by looking at where we spend our staffing dollars. The District is staffed significantly under the provincial average in all categories except teachers.



# School District Operating Expenditures 2013/14 Budget

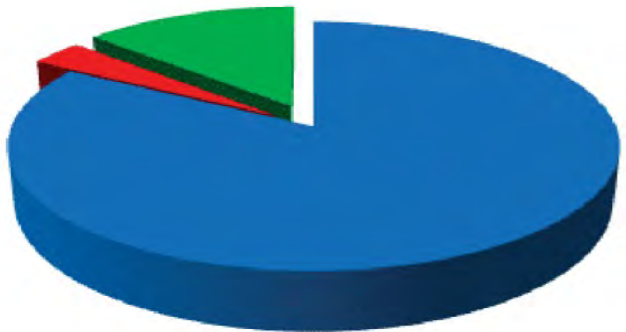
## Coquitlam

- Instruction 86.58%
- District Administration 2.89%
- Operations, Maintenance and Transportation 10.53%



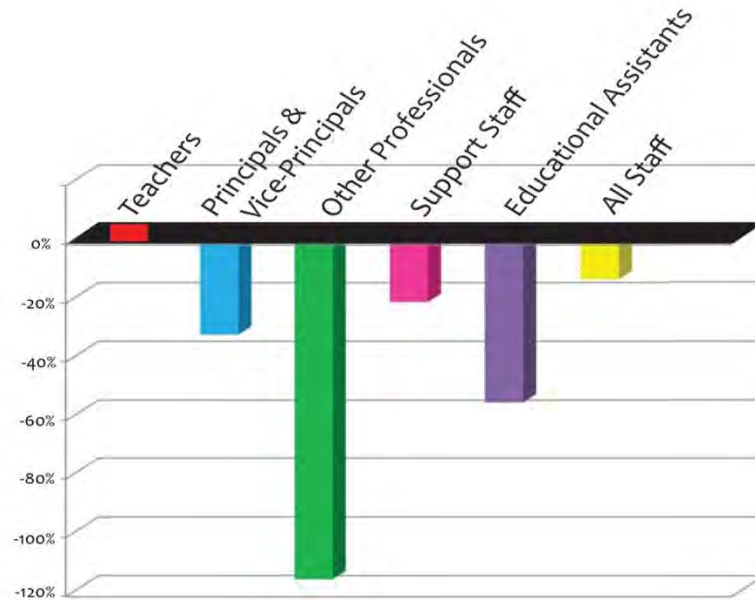
## Provincial Average

- Instruction 83.20%
- District Administration 3.34%
- Operations, Maintenance and Transportation 13.46%



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# Staffing Ratios – Coquitlam School District vs Provincial Average



| Staffing Comparison          | Coquitlam Staff (Full-time equivalent) | Provincial average (student:staff member) | Coquitlam School District (student:staff member) | Variance |
|------------------------------|--|---|--|----------|
| Teachers                     | 1,744.09                               | 17.48                                     | 17.39  | 0.53%    |
| Principals & Vice-Principals | 110.50                                 | 206.75                                    | 274.49   | -32.77%  |
| Other Professionals          | 44.00                                  | 318.87                                    | 689.35   | -116.19% |
| Support Staff                | 515.03                                 | 48.43                                     | 58.89  | -21.60%  |
| Educational Assistants       | 346.74                                 | 56.14                                     | 87.48  | -55.81%  |
| All Staff                    | 2,760.36                               | 9.65                                      | 10.99  | -13.87%  |



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# Salary vs Non-salary Budget

- The vast majority of the Coquitlam School District's operating budget, 91%, is spent on salary and related benefit costs. This is higher than the provincial average of 88.7%.
- School districts have different benefit packages. The Coquitlam School District is required to spend 21.45% of its operating budget on benefits compared to the provincial average of 17.9%.
- The Coquitlam School District spends 8.9% of its operating budget on non-salary (ex. supplies, transport, etc.) as compared to the provincial average of 11.3%.

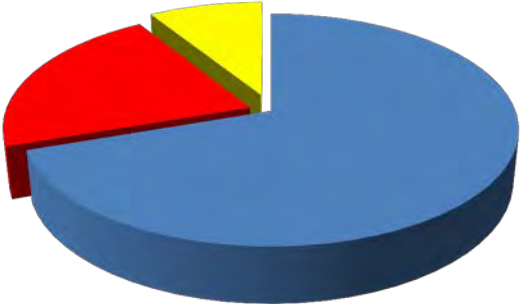




# School District Operating Expenditures 2013/14 Budget

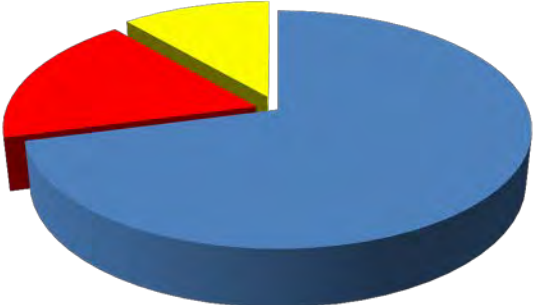
## Coquitlam

- Salaries 69.67%
- Employee Benefits 21.45%
- Supplies & Services 8.88%



## Provincial Average

- Salaries 70.83%
- Employee Benefits 17.90%
- Supplies & Services 11.27%

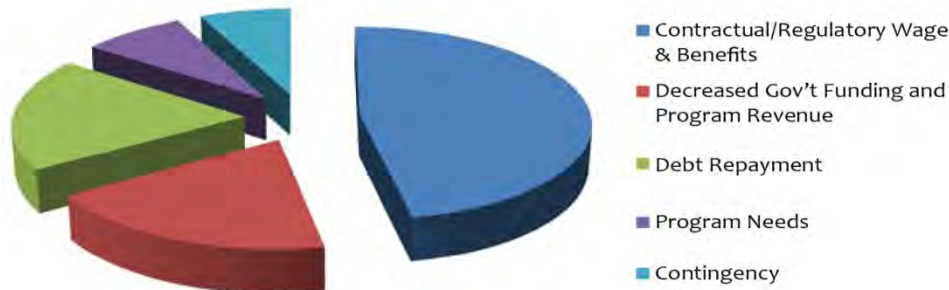


# Cost Pressures 2014/15

- The Coquitlam School District is facing rising costs in 2014/15 while funding from the Ministry of Education will not rise to help offset these.
- The School District has no choice to avoid the vast majority of these costs as they are required due to contractual, legislative, inflationary, or regulatory requirements.
- The combination of increased costs and decreased revenue results in the District facing a deficit of \$13.4 M in 2014/15.



# Major Sources of Cost Pressure 2014/15



| <b>Cost Categories</b>                      | <b>Percentage of 2014-2015 deficit</b> | <b>Dollar Amount</b> |
|---|--|----------------------|
| Contractual/Regulatory Wage & Benefits      | 47%                                    | \$6,278,969          |
| Decreased Gov't Funding and Program Revenue | 19%                                    | \$2,614,719          |
| Debt Repayment                              | 19%                                    | \$2,500,000          |
| Program Needs*                              | 8%                                     | \$1,127,078          |
| Contingency Fund**                          | 7%                                     | \$900,000            |
| <b>TOTAL DEFICIT FOR 2014-2015</b>          |  | <b>\$13,420,766</b>  |

\*Program Needs include items such as Educational Assistants for high-need students, IT server costs, increased legal fees, classroom equipment, etc.  
 \*\* Recent forensic audit requires a contingency fund for 2014-2015 cost increases and unexpected costs. The proposed contingency fund represents 0.33% of the operating budget.



# Decreased Government Funding and Program Revenue

## Decreased Government Funding and Program Revenue

|                            |                    |
|----------------------------|--------------------|
| Grant Income               | (1,891,061)        |
| Continuing Education       | (709,000)          |
| International Education    | (287,908)*         |
| Rental and Interest Income | 273,250            |
|                            | <hr/>              |
|                            | <b>(2,614,719)</b> |

\* The International Education Program contributes significant revenues each year to the Coquitlam School District. Final outcomes will be realized in September 2014. As recommended by our auditors, we are adopting a conservative approach by projecting for 2014/15, gross revenues at \$16.5M as well as a possible decrease in net revenue of \$288K.



# Contractual, Regulatory, Wage and Benefits Increases

|   |                    |
|---|--------------------|
| Teacher's salaries and benefits   | \$1,350,000        |
| CUPE wage increase and benefits   | 991,000            |
| Employee future benefit plan increases  | 700,000            |
| Staffing for new Eagle Mountain School  | 661,174            |
| Utilities rate increase (Hydro and Fortis)  | 625,000            |
| CPP/ EI/ MSP/ WCB cost increases  | 472,610            |
| Restoration of cost savings from 2013/14 which resulted from delayed staffing                   | 405,000            |
| School supplies budget provision  | 350,000            |
| Increase in substitute costs  | 250,000            |
| New provincially mandated student software  | 225,000            |
| Telephony/ Transport/ Insurance/ Health and safety cost increases (ex. First aid certification) | 187,460            |
| Sports field cost increase due to usage - municipal agreements                                  | 61,725             |
|   | <hr/>              |
|   | <b>\$6,278,969</b> |



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# Program Needs

|   |                           |
|---|---------------------------|
| Restoration of Communications/ Food Services/ Principal positions after hiatus/<br>new Finance position per audit | \$351,578                 |
| Educational assistants for high need students   | 350,000                   |
| Equipment to support classrooms   | 127,500                   |
| Legal fees increase   | 100,000                   |
| Resources for vulnerable children   | 60,000                    |
| Rental clerk to support rental revenue increase   | 60,000                    |
| Trades and transitional programming   | 50,000                    |
| Election costs - facilities costs   | 25,000                    |
| DPAC funding increase   | 3,000                     |
|   | <b><u>\$1,127,078</u></b> |



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# Debt Repayment and Contingency

|                |                           |
|----------------|---------------------------|
| Debt Repayment | \$2,500,000               |
| Contingency    | <u>900,000 *</u>          |
|                | <u><b>\$3,400,000</b></u> |

\* Contingency represents funds set aside for unexpected events. The proposed contingency fund represents 0.33% of the operating budget



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# Operating Budget Summary

|   | 2014/15               |                       | 2013/2014             |  |
|---|-----------------------|-----------------------|-----------------------|--|
|   | Preliminary Budget    | Projected Outlook     | Variance              |  |
| Operating Grant                                   | \$ 248,593,165        | \$ 250,518,250        | \$ (1,925,085)        |  |
| Other Fees and Revenue                            | 23,464,611            | 23,791,361            | (326,750)             |  |
| <b>Total - Revenue</b>                            | <b>\$ 272,057,776</b> | <b>\$ 274,309,611</b> | <b>\$ (2,251,835)</b> |  |
| Salaries  | 195,739,251           | 191,954,523           | 3,784,728             |  |
| Benefits  | 59,926,148            | 58,535,538            | 1,390,610             |  |
| <b>Total - Salaries and Benefits</b>              | <b>\$ 255,665,399</b> | <b>\$ 250,490,061</b> | <b>\$ 5,175,338</b>   |  |
| Services  | 5,292,384             | 4,968,476             | 323,908               |  |
| Student Transportation                            | 1,321,138             | 1,271,138             | 50,000                |  |
| Supplies  | 8,570,358             | 7,820,673             | 749,685               |  |
| Utilities   | 5,982,725             | 5,307,725             | 675,000               |  |
| Insurance/ Leases/ Fees/ Professional Development | 5,246,538             | 4,951,538             | 295,000               |  |
| <b>Total - Supplies and Services</b>              | <b>\$ 26,413,143</b>  | <b>\$ 24,319,550</b>  | <b>\$ 2,093,593</b>   |  |
| <b>Total - Expenses</b>                           | <b>\$ 282,078,542</b> | <b>\$ 274,809,611</b> | <b>\$ 7,268,931</b>   |  |
| Total - Current Period Deficit                    | \$ (10,020,766)       | \$ (500,000)          | \$ (9,520,766)        |  |
| Prior Period Deficit                              | 500,000               |                       |                       |  |
| Contingency                                       | 900,000               |                       |                       |  |
| Debt Repayment                                    | 2,000,000             |                       |                       |  |
| <b>2014/15 Deficit</b>                            | <b>\$ 13,420,766</b>  |                       |                       |  |



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# Budget Challenge for 2014/15

- Throughout the budget process, the Board of Education will seek to maintain a sustainable organization which is built on our past successes.
- There is a need to balance the multiple interests of all stakeholders with the need to maintain a balanced budget under the *School Act*.
- Through our budget process, we want the community to be involved by sharing ideas on how to meet our budget challenge. These ideas will be considered carefully by the Board in making budget decisions.

