

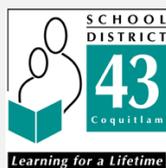
Budget Process 2021-2022 Stakeholder Consultation Guide

Spring 2021



Learn. Engage. Contribute.

You Talk. We Listen.



School District No. 43 (Coquitlam)
550 Poirier Street
Coquitlam, BC V3J 6A7
Phone: 604-939-9201

Message from the Board of Education

Welcome to the stakeholder consultation and engagement process for the 2021-2022 budget for School District No. 43 (Coquitlam).

We are the third largest school district in the Province of British Columbia, and we have a diverse and growing population which includes young families, new Canadians, professionals and others who are choosing to locate here for the quality of life, that includes a thriving and successful public education system. Our student achievement levels continue to be exceptional and are consistently above the provincial average and near the top in all student outcome categories of all 60 school districts in BC.

The Board of Education has again prepared a consultative budget process for the 2021-2022 school year. Beginning last year, the process was modified to provide stakeholder input in February, in advance of Ministry funding announcements, and before staff finalizes the preliminary budget submission to the Board. We appreciate all comments and input while we work closely with our partner groups within the confines of our contracts and available resources. To seek broad and thorough input, the Board has also engaged in a series of meetings with all partner groups and made several presentations throughout the year to inform stakeholders about the budget.

The Board is committed to transparency and Taxpayer Accountability Principles are an important aspect of this practice as adopted by the Board and staff in the preparation of the annual budget.

The global pandemic has had an impact on all of us and certainly in the delivery of educational services. We continue to strive to deliver on a budget that provides certainty to ensure long-term stability and sustainability despite the challenging circumstances. Guided by our refreshed goals and objectives under **Directions 2025**, we are fully committed to achieving student success, developing the educated citizen, and continuing to foster sustainable educational organization - all within a changing landscape of provincial funding and this pandemic.

We invite you to **learn** about the budget process, **engage** in the consultation and **contribute** feedback. Help deepen our collective understanding and identify the challenges and opportunities. Share your ideas on how we can make the best use of the restricted funds available for our children, families, employees and communities while advancing the school district and sustaining our mission. Your input will help guide the Board's decisions and actions.

Sincerely,

Board of Education
School District No. 43 (Coquitlam)



Kerri Palmer
Isaak, Chair



Michael Thomas
Vice Chair



Jennifer
Blatherwick



Carol
Cahoon



Barb
Hobson



Lisa
Park



Christine
Pollock



Keith
Watkins



Craig
Woods

Budget Process 2021-2022

The Board of Education continues to utilize a comprehensive strategy to create the 2021-2022 budget.

Our Goal

The Board of Education will embark on the budget process through a transparent, inclusive, and accountable process that engages the community for input.

- The first step of this strategy is to identify potential cost pressures and areas of possible budget and related expenditure misalignment.
- Consider the ramifications of COVID-19 on current and future years and the ending of Federal and Provincial supplemental funding used to offset the current year financial impact of the pandemic.
- Factor in the potential impact of changes to the Funding Model in Phase two of the implementation process.
- Consult with stakeholders on how the Board can use or realign available resources to continue to foster a high achieving and sustainable organization for many years to come.
- Engage with Stakeholders during the initial stages of budget development to encourage comments and suggestions so that the Board can consider these prior to the finalization of the draft budget.
- Provide the Public an opportunity to reflect and offer feedback on the proposed draft budget during the April budget deliberations.

This budget strategy will consider:

Students First

Aligning decisions with a thriving public education system for students is a community value. As stewards of public funds, the School District must demonstrate a financial commitment to improve the learning environment for students.

Fair Access for all Students

Delivering fair, effective and positive learning environments for 32,000 students today and an additional 3,000 new students over the next decade is the School District's commitment. Present-day financial decisions must consider the current and future needs of students and employees.

Lifelong Learning in our Communities

Delivering lifelong learning in our communities is part of the School District's vision. We envision high quality, diverse, personalized and enriched education opportunities for all students of all ages. Ongoing financial review and community engagement will support this.

Changing Landscape of Provincial Funding

Funding from the provincial government has not kept up with rising costs even with lower enrolments and increased per pupil funding. Additional cost pressures such as hydroelectricity, gas and health benefits have all increased, with school boards funding most of these inflationary and new program costs.

Long Term Strategic Vision

Aligning the budget process and connecting the allocation of resources with our strategic vision and goals as originally established by the Board in fall of 2016 as *Directions 2020* which has now been refreshed as *Directions 2025*.

Directions 2025 Summary

At School District No. 43 (Coquitlam), it is our firm belief that the operation of the District is more effective with a clear vision and purpose that is aligned and integrated through all areas of the organization.

The goal of creating a unified vision led us to develop *Directions 2020* the fulfilment of the *Learning Without Boundaries* strategic framework that was created by our School District through consultation with and feedback from several thousand stakeholders.

Directions 2020 enabled the fulfillment of our mission and goals through intentional strategic planning and goal setting, resource allocation, focused implementation methods, ongoing measurement and reflection, and proactive communications. Through Directions 2020, SD43 has risen to a new level of student, employee, and district-wide success.

Building on this success and guided by the Board of Education’s leadership and strategic vision, the goals and objectives under Directions 2020 have been refreshed and incorporated into the new **Directions 2025**, further ensuring that the district’s educational outcomes are consistent with its mandate.

Our Mission

To ensure quality learning opportunities for all students of all ages.

Strategic Goals

The fulfilment of the *Learning Without Boundaries* strategic framework has resulted in three strategic high-level goals with several objectives and two cross cutting themes.

Goal #1

Intellectual Development - Achieve Student Success: *Our core work and common goal is educational excellence.*

Goal #2

Human and Social Development – Develop the Educated Citizen: *Enhance development of self-worth, personal identity, and social responsibility while valuing the diversity of all learners.*

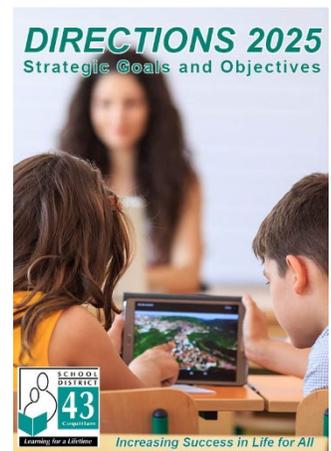
Goal #3

Organizational Capacity - Foster a Sustainable Educational Organization: *Ensure that our human, financial and physical resources are sustainable.*

Themes

Technology: - Quality Information; Equitable Access; Human Capacity

Social Engagement: - Global and Digital Citizenship; Environmental Stewardship; Community Relationships.



Click image for more information on Direction 2025

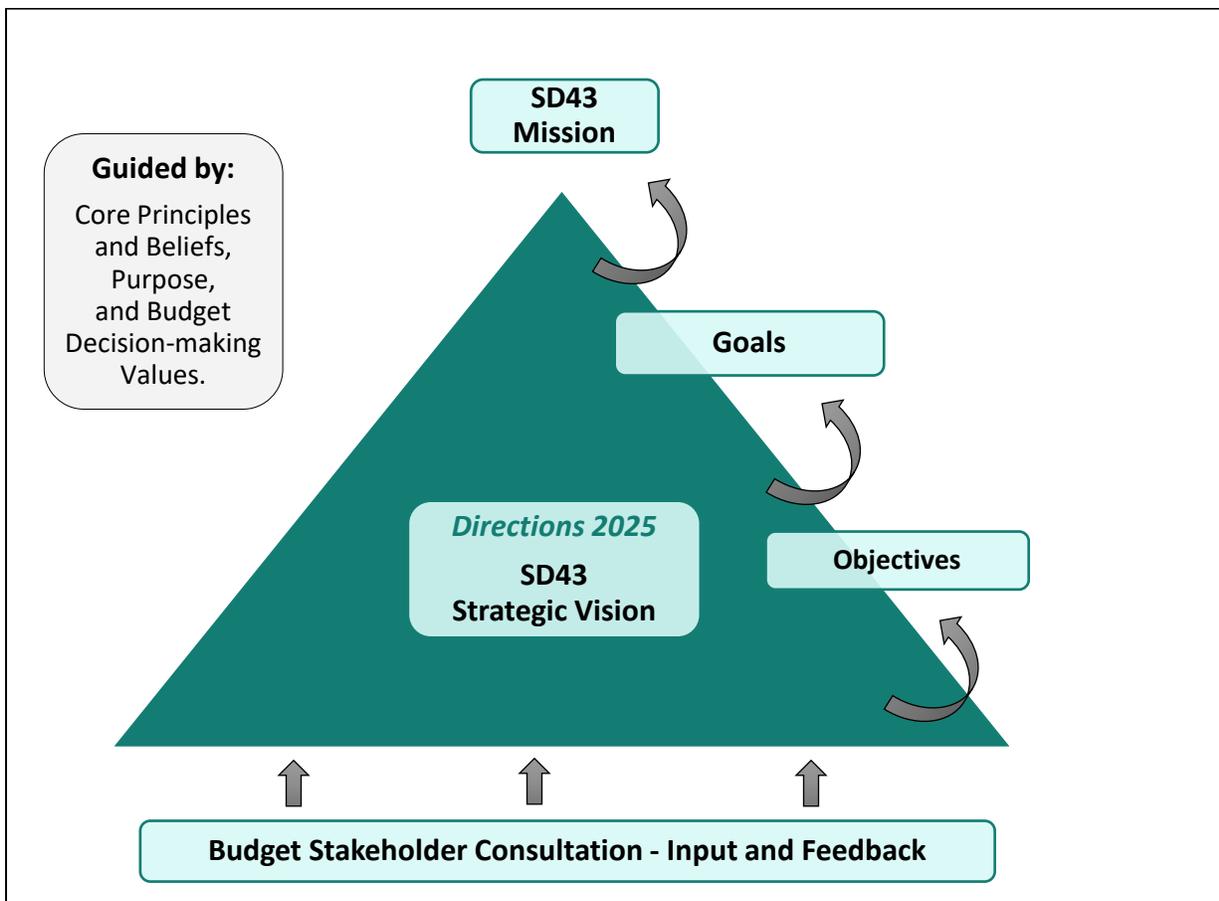
Aligning Budget Planning and Resource Allocation with *Directions 2025*

The School District is committed to a model of transparent budget planning and resource allocation that is directly aligned with our strategic vision and goals, *Directions 2025*, established by the Board.

It is a consultative model that coordinates budget planning and resource allocation activities with inclusive stakeholder consultation and feedback based on the vision, goals and objectives. The model includes:

- articulating *Directions 2025*;
- providing timely and accurate budget information;
- receiving budget input and feedback;
- prioritizing budget requests for the upcoming budget year;
- allocating available resources to best meet requests that align with the vision, goals and objectives;
- communicating the outcomes effectively for transparent accountability.

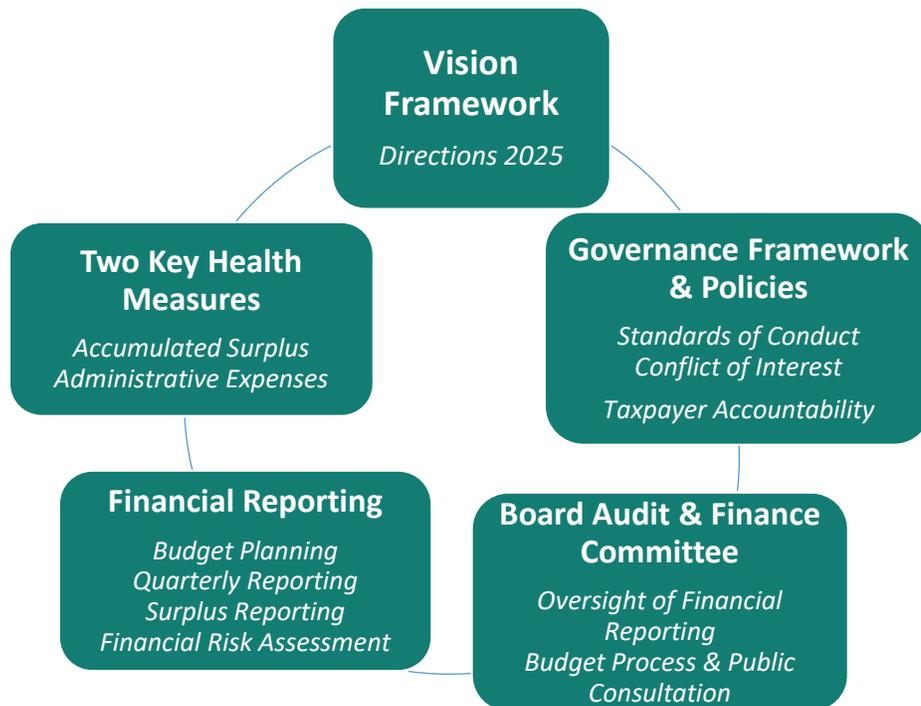
The model will ensure that budget input and resource allocations are connected to and aligned with the *Directions 2025* vision, goals and objectives. This model is an integral part of the School District's operating culture.



Financial Governance and Accountability

The Board has fully adopted the Ministry of Education recommended requirements pertaining to financial governance and accountability. This includes methods that the Office of the Auditor General would define as best practices.

- The District has a strategic plan and vision (*Directions 2025*) with clear goals and expectations;
- A robust governance framework including standards of conduct and conflict of interest reporting requirements;
- Accountability practices including regular financial reporting;
- An established Finance and Audit Committee;
- Direct engagement with external auditors; and
- A balanced budget with policy provisions (accumulated reserves) to address unforeseen and emergent issues



Accumulated Operating Reserves Policy

The School Board has established an Accumulated Operating Reserves Policy (Policy #23 – Financial Reserves) as part of its multi-year financial approach for stable and sustainable organization health;

Specifically, to the extent that there is an excess of revenues to expenditures (operating surplus) in any fiscal year the Board will allocate these funds as follows:

- a) Any surplus in excess of 2% of total operating revenues will be set aside into an unallocated (unrestricted) fund for subsequent use as determined by the Board;*
- b) 25% of the balance of the operating surplus funds be directed and restricted for one-time opportunities primarily associated with technology, educational initiatives, and deferred maintenance of facilities;*
- c) 75% of the balance of operating surplus funds be restricted and allocated equally over the subsequent three fiscal years, but no more than the current year aggregate surplus budgeted in the year (excluding one-time funding from the unallocated fund). Any excess of funds will be set aside into the unallocated fund.*

The Board reviews this policy annually and provides further details in the audited financial statements as to how restricted surplus funds are planned to be utilized in subsequent years. Read the complete policy [here](#).



Taxpayer Accountability Principles

The Board has incorporated the six **Taxpayer Accountability Principles** which are embedded within *Directions 2025* strategic goals. These are designed to strengthen accountability, promote cost control and ensure that the public sector operates in the best interest of taxpayers.



1. **Cost Consciousness (Efficiency)** – Strengthen cost management capabilities by providing educational services as efficiently and effectively as possible.
2. **Accountability** – Transparently manage responsibilities and enhance organizational efficiency and effectiveness in planning, reporting, and decision making.
3. **Appropriate Compensation** – Comply with a standardized approach to performance management and employee compensation
4. **Service** – Maintain clear focus on positive outcomes for student success.
5. **Respect** – Engage in equitable, compassionate, respectful, and effective communications.
6. **Integrity** – Make decisions and take actions that are transparent, ethical and free from conflict of interest.

Budget Goals

The District has as its budget objective the aim of providing long-term stability and sustainability through multi-year financial planning.

Carefully planned and responsible multi-year changes in measured amounts allow for long-term budget stability and sustainability.

- Allows for long-term sustainable planned budget additions
- Smooths large fluctuations in budget changes
- Helps manage unforeseen funding risks

More funding for schools to support and enhance teaching and learning.



School District budgeting is extremely complex due to the lack of multi-year funding certainty, limited Ministry funding for inflation and the frequent adoption of new and unfunded initiatives.

Multi-year financial planning is a strategic budget management method of making carefully planned and responsible changes in measured amounts over several years to smooth out large fluctuations in year-to-year resource and staff additions or reductions due to unforeseen costs and other circumstances.

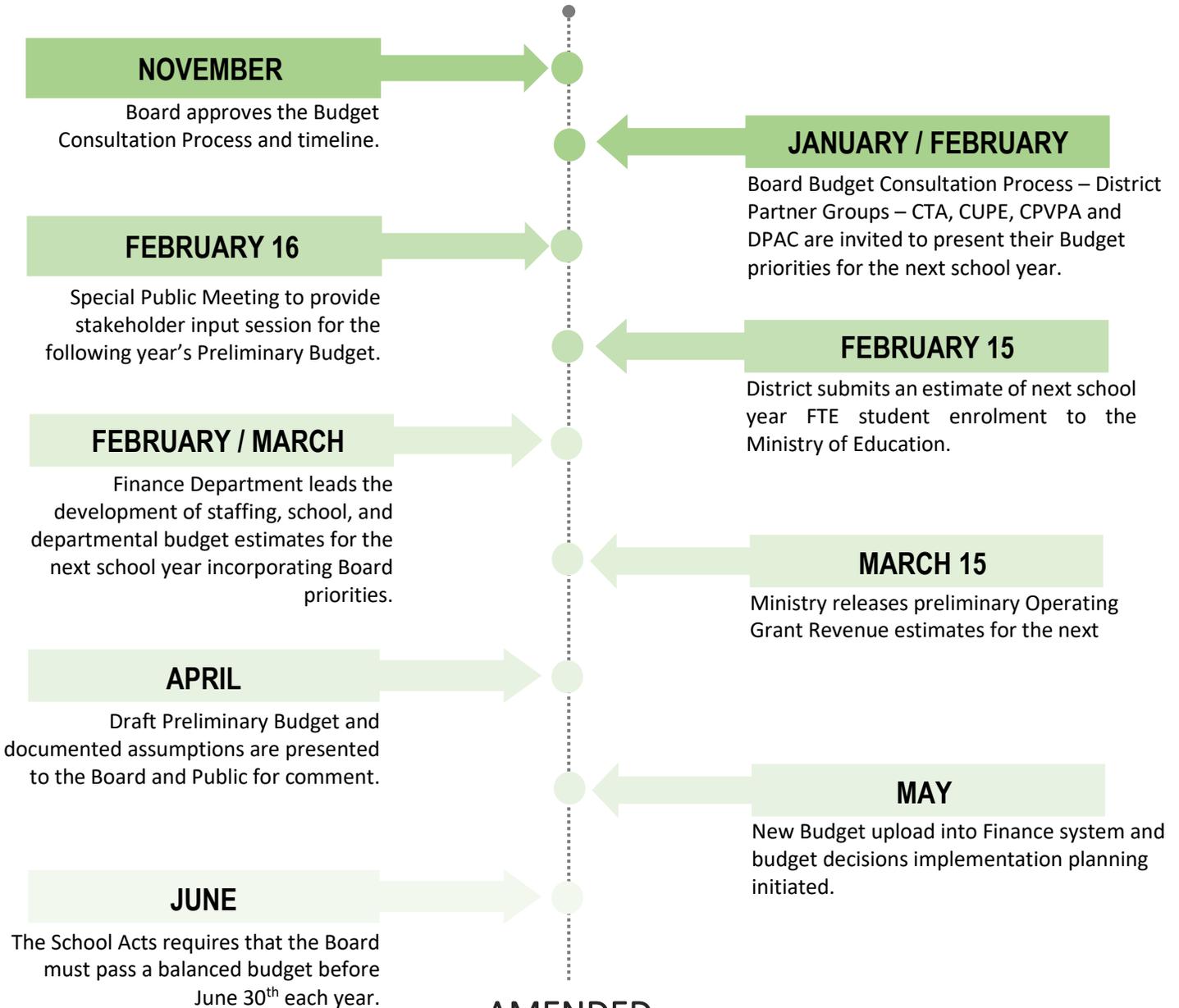
Multi-year financial planning as a budgeting framework will build the School District' long-term stable financial position, help manage future risks from unforeseen situations, and most importantly allow for the planning of ongoing responsible and sustainable positive changes to the education system.



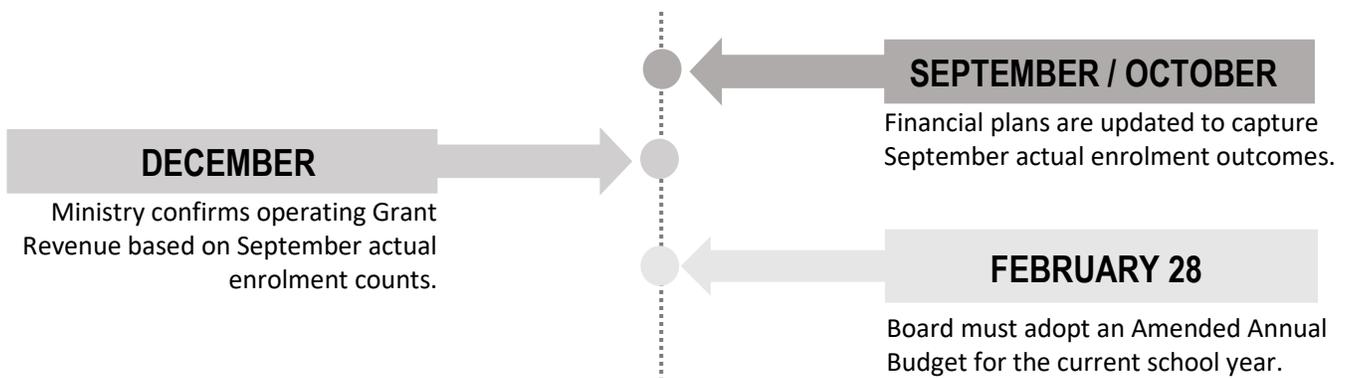
As shown in red in the graph above, maximizing an annual budget surplus each year can lead to a pattern of adding and reducing resources which creates an unstable and uncertain education system for students, parents and employees. As shown in green, a multi-year distribution of annual budget surplus over the medium term helps to smooth funding changes and avoid sudden and frequent program changes.

Budget and Financial Planning Cycle

PRELIMINARY



AMENDED



The Difference between Capital Budgets, Operating Budgets and Special Purpose Funds

As one of the major employers in the Lower Mainland, the Board has a large and complex budget.

There are three separate sections of the budget. The following illustration shows what is funded from each section.

Operating Budget	Capital Budget	Special Purpose Funds
 <ul style="list-style-type: none">• Learning• Teaching• Programs• Administration	 <ul style="list-style-type: none">• Buildings• Fields• Infrastructure	 <ul style="list-style-type: none">• Specific time frame (12 months, 24 months)• Specific function• Examples:<ul style="list-style-type: none">○ Learning Improvement Fund○ Annual Facilities Grant○ Community Link

Image source: <http://wpmedia.business.financialpost.com/2014/01/money.jpg?w=620>

The budget process primarily focuses on areas where the Board is able to make changes – within the operational budget.

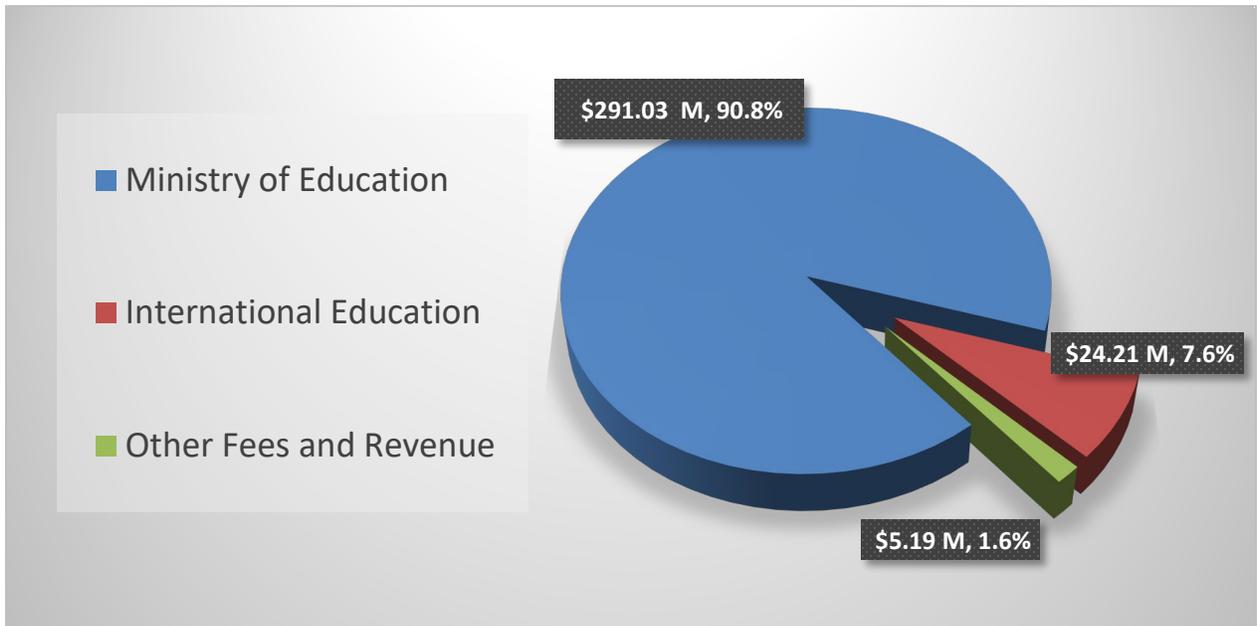
Any funds within the capital budget may not be used for operational budget items.

Special purpose funds are for designated purposes which can supplement operational activities. That said, similar to capital funds, they may not be used for operational budget items.

Make up of a School District Operational Budget

The operating budget in 2020-21 is \$320.43 million. As the chart below shows, the majority of this funding, 90.8%, comes from the Ministry of Education.

SD43 Sources of Revenue 2020-21



Funding

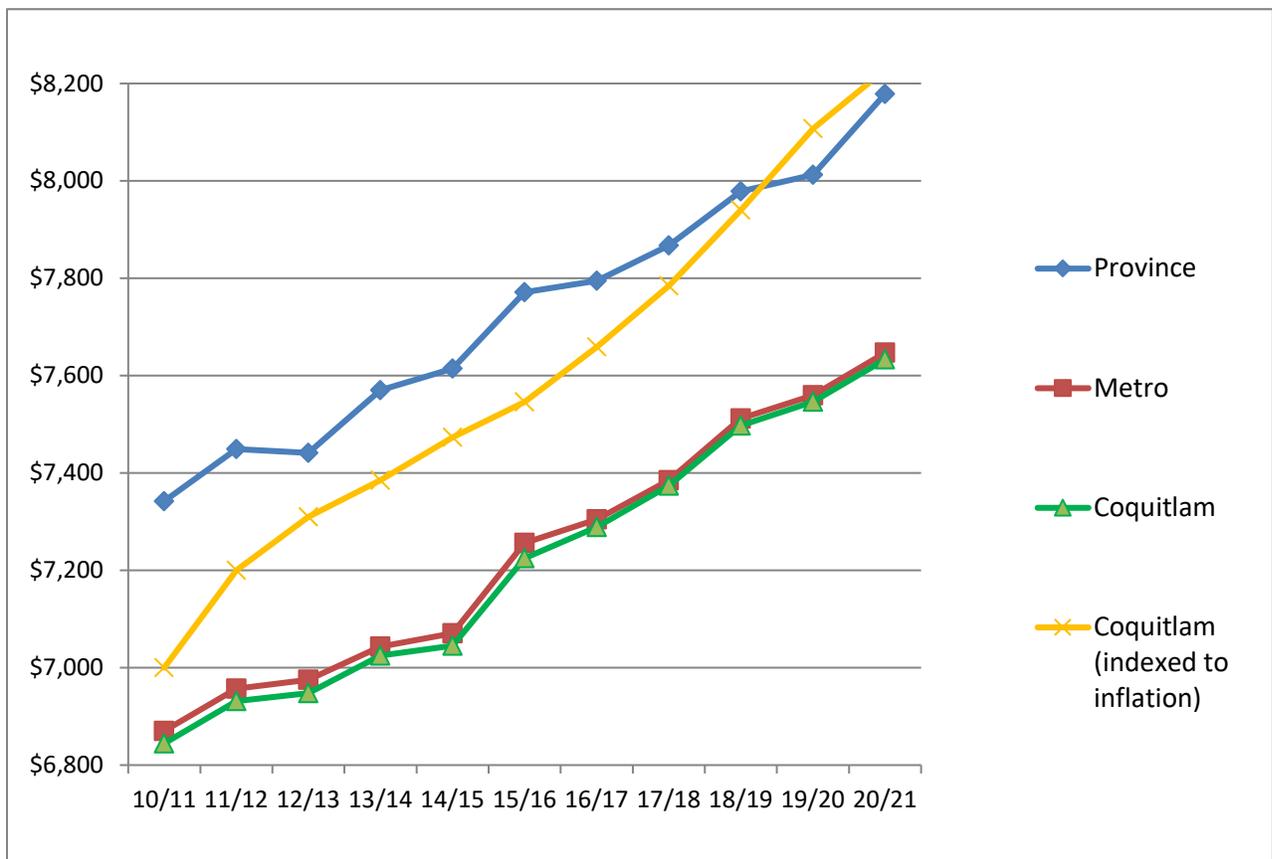
The basic student operating grant allocation for 2020-21 is \$7,560 per FTE student. SD43, like other school districts, also receives additional funding for unique student and school district factors.

Provincial funding however has not kept up with inflation. Based on estimated Operating Grants for 2020-21, there are 19 out of 60 school districts that are reporting declining enrolment and/or qualify for funding protection. These school districts received an additional \$10.2 million in support (up from \$7.2 million in the prior year). SD43 is funded approximately \$580,000 less due to funding protection provided to these school districts. In the current school year, labour wage settlements and the Employer Health Tax (EHT) grant funding was \$2.5 million less than that required to fully fund these contractual and legislative requirements.

SD43 continues to rank 57th in funding levels out of 60 school districts for 2020-21 – the fourth lowest in the Province.

In terms of funding for 2020/21, SD43 currently receives \$7,633 per student (excluding special student needs and salary differential factors) while the provincial average is \$8,178 per student. This difference of \$545 per student is significant considering that there are approximately 31,000 students in the District.

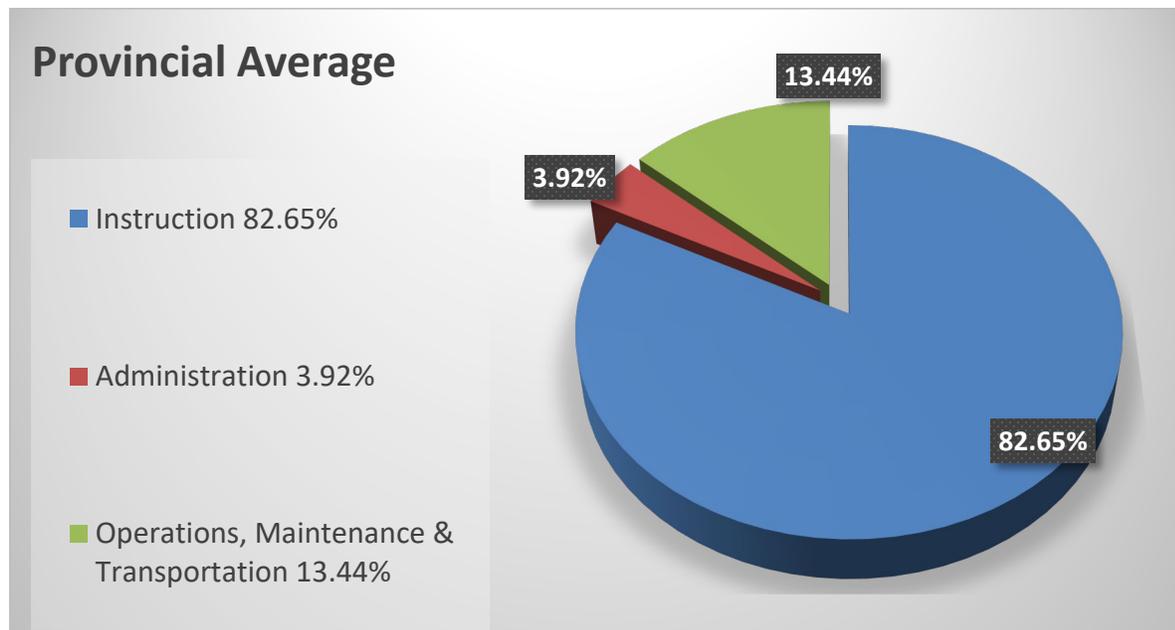
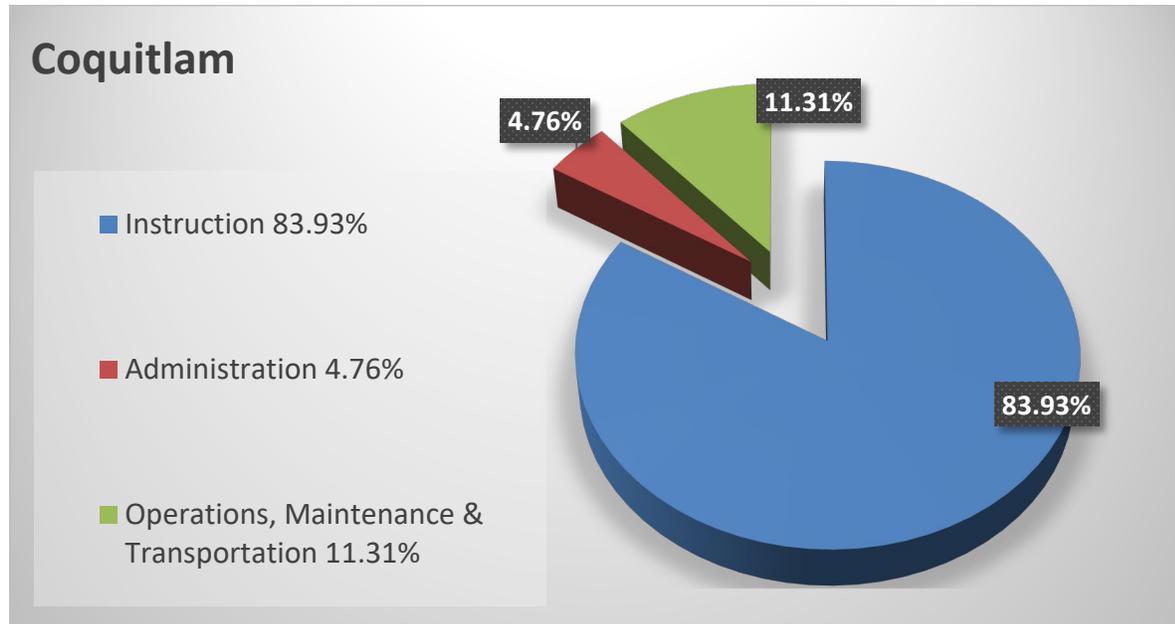
This trend is not new, and the chart below shows how funding per student has not kept up with costs in recent years. If total grants had kept up with inflation since 2009-2010, SD43 would have received \$8,229 per student. The difference of \$595 per student (compared to the actual funding of \$7,633) equates to approximately a \$18.4 million funding shortfall for the 2020-21 fiscal year.



Placing Instruction First

The Board has always placed students at the forefront of decision making when it comes to budgets. The Board has made decisions to maximize the funds available for instruction in the classroom. As illustrated below, the Board spends more of its budget on instruction than the provincial average. While the administrative burden is higher in comparison, this is directly attributable to regulatory required solvency deficiency payments for the closed Non-Teaching Pension Plan.

SD43 (Preliminary) Operating Expenditures 2020-21



A History of Student Success

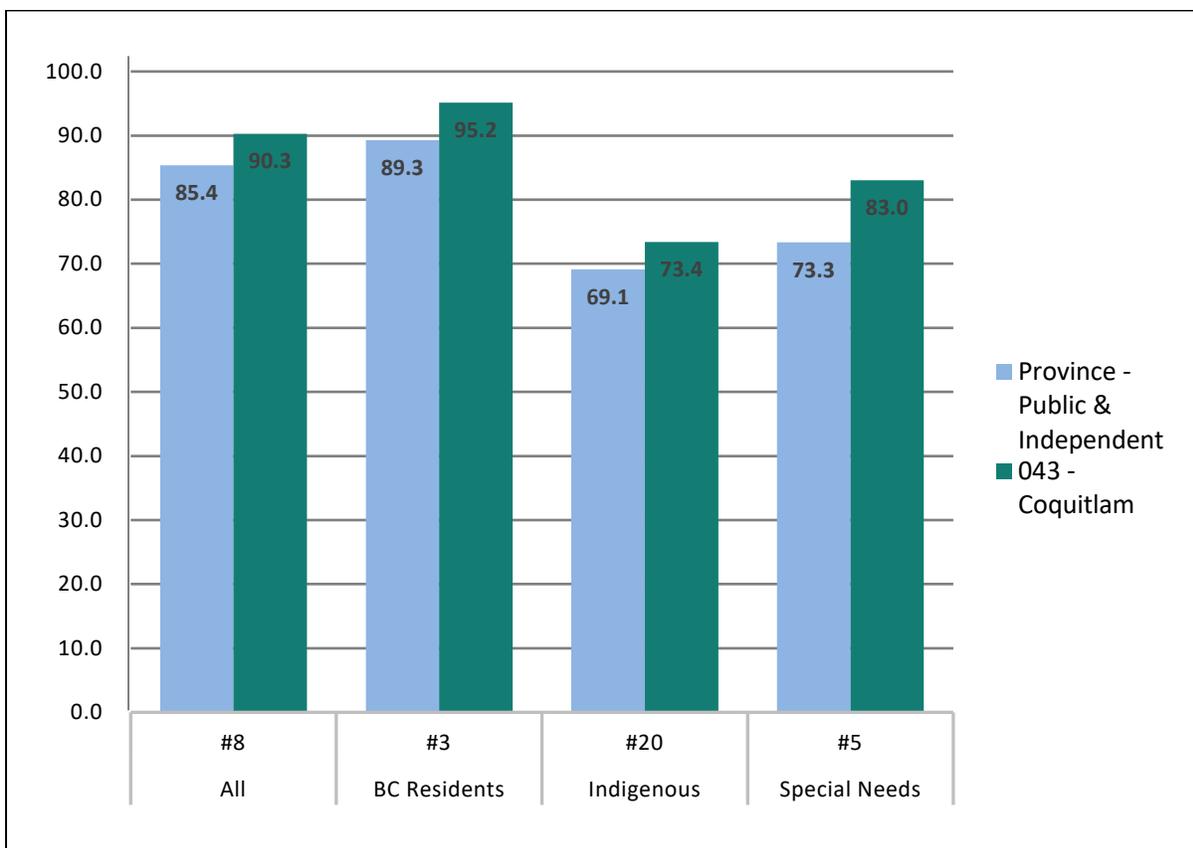
Through the budget process, the Board will seek to maintain a high achieving and sustainable organization for the long-term which is built on our past successes. We will seek new and innovative ways to deliver our services which will ensure that we maximize our budgets and ensure quality learning for all students.

SD43 has a history of student success. The 2019 Achievement Levels released by the Ministry of Education show that our student achievement results exceed provincial norms on every measure.

The Board's goals are, and will continue to be, focused on helping students acquire a series of attributes to help them become Learners, Thinkers, Innovators, Collaborators, and Contributors. Our budget process will provide the answers needed for the difficult task of meeting our financial pressures while ensuring the continued success of our students.

The graph below reflects our student % performance and ranking in all provincially measured areas against school districts where graduates exceed 500 students.

SD43 2019 Achievement Levels



* Based on Six-Year Completion and Grade 12 Graduation rates from the Ministry of Education's Report on Student Achievement

(The 2020 achievement report is not available at the time of this publication.)

Class Size Reporting

The chart below reflects improvements that the School District has made to class size over the past four years. While SD43 class sizes are still larger than the Provincial average (due primarily to physical facility limitations), the rate in which class sizes have been reduced is more pronounced. The significant change in 2017/18 is directly related to the restored teacher collective agreement language pertaining to class size and composition.

	2015/16		2016/17		2017/18		2018/19		2019/20		4 Yr Improvement	
	SD43	Province	SD43	Province								
# of Classes	2,968		2,893		3,309		3,251		3,175		7.0%	
K	20.3	19.7	20.2	19.1	18.3	17.8	18.4	18.0	18.5	18.0	9.7%	9.4%
1-3	22.4	21.8	22.2	20.4	20.7	19.4	20.3	19.9	20.5	19.5	9.3%	11.8%
4-7	28.6	26.0	28.3	24.5	24.8	23.3	24.7	23.9	25.1	23.3	13.9%	11.6%
8-12	26.2	23.4	26.0	22.9	24.4	22.0	24.2	22.1	25.1	22.4	4.4%	4.5%
# Classes w/ EA's	635		713		858		850		932		46.8%	
% of Classes w/ EA's	21.4%		24.6%		25.9%		26.1%		29.4%			

Of further note is the increase in classes with an education assistant in attendance. This has grown by nearly 31% over the past four years.



Board of Education Values

The following values will guide the Board of Education in budget decision making:

1. **Inclusiveness:** We invite all stakeholders to participate in discussion and provide feedback.
2. **Integrity:** We respond to stakeholder input in an honest and forthright way, balancing the multiple needs of the various stakeholder groups while meeting the legal requirement of maintaining a balanced budget under the *School Act*.
3. **Commitment:** We commit to first defining issues, followed by reviewing engagement with stakeholders, then summarizing information and research, and finally reporting on decisions.
4. **Accountability:** We demonstrate that the results and outcomes of the process are consistent with the commitment made to stakeholders at the beginning of the process.
5. **Transparency:** As decision makers, we ensure stakeholders have opportunities to understand the scope, constraints and process for a pending decision.

Stakeholder Engagement Commitment

What is Stakeholder Engagement?

Stakeholder engagement is a two-way dialogue to allow the Board and our many stakeholders to define opportunities and challenges and work together on solutions. It allows for valuable input to the School District's direction and decision making.

Your Role as Stakeholders

To make stakeholder engagement a success, your role is to learn, engage and contribute. Start by visiting the SD43 Budget website at www.sd43.bc.ca/budget to:

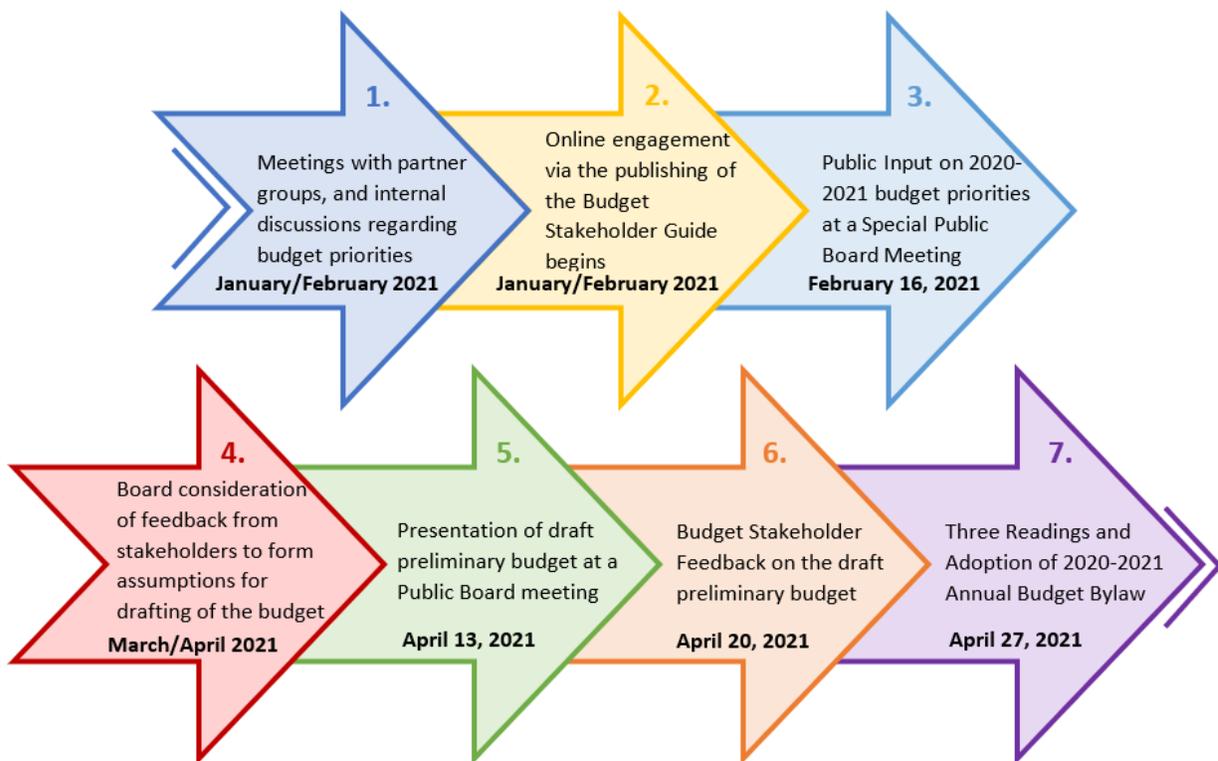
- Learn about government funding and allocation;
- Learn about the SD43 budget process;
- Learn about *Directions 2025*, the School District's vision;
- Engage in the consultation by asking questions about the budget;
- Expect responses to your concerns and input; and
- Contribute ideas that align with the goals and objectives from *Directions 2021* on how to address the opportunities and challenges.

Our Role as Trustees

As the elected decision-making body, we are accountable to the interests of public education and our role is to:

- Listen to you;
- Respond to your questions and concerns;
- Consider your ideas and input; and
- Propose action and report back to you.

Stakeholder Engagement Process



Board Decision

There will be three public events leading up to the Board communicating its decisions on next steps for the budget. All stakeholders are invited to attend.

Who we Consult

Everyone is invited to comment on the School District's activities and initiatives. Here is a sample of stakeholders we hope to hear from:

- Parents and students
- Community partners
- Business groups
- Local and provincial governments
- First Nations
- Diversity groups
- Educators and administrators
- Community members and neighbours
- Local health authority
- Non-profit groups
- Recreation commissions and sports groups

Learn. Engage. Contribute.

We are using a variety of methods to help you **learn**, keep you informed so you can **engage** in this process, and provide several opportunities for you to **contribute**.

Your Local Newspaper

In print or online, look for public notices about public events, times and location in the Tri-City News. We will also keep local reporters informed and request that they share stories and provide their independent insights and perspectives.

School District Website

All information on this process is available at www.sd43.bc.ca/budget. Check out the “FAQs” section, which will be continually updated with your questions and answers.

Board Meetings

We have a series of Board meetings where budget information will be shared and discussed by the Board of Education.

Twitter and Facebook

Budget information and event reminders will also be communicated through the School District’s Twitter and Facebook channels: www.twitter.com/sd43bc and www.facebook.com/sd43bc

Providing your Feedback

Wish to Provide Feedback to the Board?

The Board welcomes stakeholder feedback.

Email: budgetfeedback@sd43.bc.ca

Mail: Attn: Board of Education
School District No. 43 (Coquitlam)
550 Poirier Avenue, Coquitlam, BC V3J 6A7

In Person (Virtual): by attending one of the meetings detailed below.

Stakeholder Events Schedule

Stakeholder information and consultation events take place in April as outlined below.

- **Special Public Board Meeting - Stakeholder Budget Input**
Tuesday, February 16, 2021, 6:30 pm

This will be an opportunity for stakeholders to present input into the formulation of the 2021-2022 budget to the Board. If you or your group would like to present feedback, please review the *Guidelines for Stakeholder Feedback* and submit the required information by 9:00 am on Wednesday, February 3, 2021 at the link provided on the Budget Process website (under “Contribute”).

- **Public Board Meeting - Presentation of 2021-2022 Preliminary Budget**
Tuesday, April 13, 2021, 7:00 pm

The Preliminary Budget will be presented at this Regular Public Board Meeting

- **Special Public Board Meeting - Stakeholder Feedback**
Tuesday, April 20, 2021, 6:30 pm

This will be an opportunity for stakeholders to present feedback to the Board on specific aspects of the budget. If you or your group would like to present feedback, please review the *Guidelines for Stakeholder Feedback* and submit the required information by 9:00 am on Wednesday, April 14, 2021 at the link provided on the Budget Process website (under “Contribute”).

- **Public Board Meeting - Final Budget Presentation and Board Approval**
Tuesday, April 27, 2021, 7:00 pm

The annual budget will be presented to the Board for approval at this Regular Public Board Meeting. This final budget would incorporate changes requested by the Board based on stakeholder feedback.

There will be an opportunity for questions at each of the meetings outlined.

Decision Making Process

The Board values all feedback and considers it carefully in making budget decisions. The input shapes outcomes and influences the options considered during the 2018-2019 budget process. As the elected body representing the school community, the Board will make the final decision.

3-Phase Budget Planning Process

1. **Research** (ongoing through April 13, 2021): This phase includes background research, meetings with departments and partner groups, stakeholder feedback, questions and answers and public board meetings.
2. **Reporting** (April 13 and 20, 2021): This phase includes the presentation of the preliminary budget, stakeholder feedback, report on findings and results, as well as early recommendations on the vision, planning ideas and overall direction.
3. **Next Steps** (April 27, 2021): This phase presents the final budget to the Board for approval.

Evaluation

The Board will make decisions based on its strategic goals and objectives outlined in *Directions 2025*.

Contacting Management

This consultation guide is designed to provide the School District's stakeholders with a general background of the framework in which the budget process leading to a Preliminary Budget occurs, to demonstrate increased transparent accountability to the public and the criteria under which the budget is developed.

If you have questions about this guide, please contact the Office of the Secretary–Treasurer/Chief Financial Officer at 604-939-9201.

You are encouraged to also review the Board's strategic vision and plan [Directions 2025](#).

Providing Feedback and Input

The Board welcomes your feedback. Please email the Board at: budgetfeedback@sd43.bc.ca



***“To ensure quality learning opportunities for
all students of all ages”***

Achieve Student Success:

Our core work and common goal is educational excellence

Develop the Educated Citizen:

Enhance development of self-worth, personal identity, and social responsibility
while valuing the diversity of all learners

Foster a Sustainable Educational Organization:

Ensure that our human, financial and physical resources are sustainable

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