

BUDGET 2024-25


April 9, 2024

Presented by:
Nita Mikl, Assistant Secretary-Treasurer

1

Presentation Outline

1. Key budget dates
2. Directions 2025 and Financial Governance
3. Budget process and consultation
4. 2024-25 proposed budget
 - Assumptions, funding and other considerations
 - Budget –operating fund, special purpose funds and capital funds
5. Risk factors
6. Budget Outcomes



2

Key Budget Dates

- February 13 - Partner group and community - budget input meeting
- February 26 - *Provincial budget announcement*
- March 15 - Ministry announcement of 2024/25 preliminary operating grant
- **April 9**  - **Public Board Meeting – 2024/25 proposed budget**
- April 16 - Special public budget meeting – partner group and community feedback comments
- April 23 - Public board meeting and board approval of the 2024/25 budget



3

Budget Approval Timeline

- Per School Act (Sec 113)  School Districts are required to file a balanced budget by June 30th of each year



Why does SD43 complete the budget process in April?

- Funding for next year not announced until March 15th
- SD43 has contractual obligations that stipulate a 60-day notification period to meet certain commitments.
- Schools need staffing allocations with adequate time to organize classes for the following year.



As an outcome, the presentation of the budget, the subsequent discussion, feedback comments, and final Board approval is all done in April



4

Strategic Plan - Directions 2025

DIRECTIONS 2025 Strategic Goals and Objectives



Increasing Success in Life for All

- Budget and Financial Framework is guided by *Directions 2025*
- Resource allocation directly aligned with goals and objectives in *Directions 2025*



5

Financial Statement Discussion & Analysis



- Increased Transparency:
 - More detailed and open discussion on financial results
 - Explaining variances to budget
 - Providing updated projections
 - Standardized quarterly reports
 - Comprehensive year end financial report



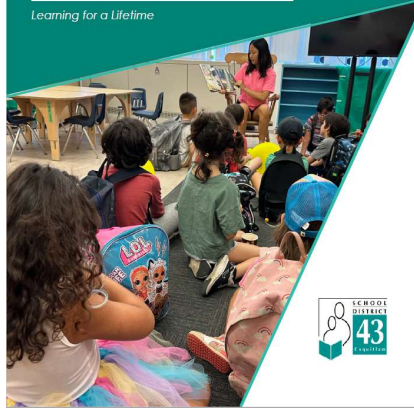
6

Budget Process Consultation Guide

For the Fiscal Year Beginning July 1, 2024

BUDGET CONSULTATION GUIDE 2024/25

Learning for a Lifetime



• Budget Consultation Guide

- Aligning budget planning and resource allocation to Directions 2025
- Governance and accountability principles under which budgets are developed
- Budget process and timelines
- General background information
- Public engagement
 - roles of interested parties
 - roles of trustees



7

2024/25 Budget Consultation


- Prior to developing the 2024/25 Budget, the Board invited partner groups (CTA, CUPE, CPVPA, DPAC) to present their priorities and budget requests.
- Special Public Meeting was held on February 13th, 2024, to receive partner group and community input to help shape the 2024/25 budget.
- The Board and the District Leadership Team (DLT) discussed these requests, including identifying the underlying issue resulting in the request, discussed current or potential solutions, and incorporated these requests into the draft budget where funding permitted, and alignment existed with district priorities.



8

2024/25 Budget Consultation

- A complete summary of the comments received during these meetings and responses to these recommendations are captured in the budget document

|  BOARD OF EDUCATION Budget Partner Group and Community Meeting Summary 2024/25 | | | | |
|--|---------------|--------------------------------|---|--|
| Item # | Partner Group | Request | Budgetary Request - What we Heard | How we Responded |
| Teachers - Non Enrolling/Learning Services | | | | |
| 1 | CTA | CTA - Learning supports | Additional Learning Supports or reduced additional workload at the school level (Counsellors, YW, EA's, school based learning teams) to help with challenging environments and support vulnerable students. | Non enrolling teachers ratios are established in the teacher collective agreement as restored by MOU#17. SD43 continues to provide incremental support as priorities are established and funding permits. Additional learning services school based teacher staffing and Educational Assistants are added throughout the year as needs are determined. |
| 2 | CTA | CTA- Resources | Additional resources to address issues regarding student behaviour and violence. | The district will continue to look at ways to further supplement available resources. |
| 3 | CTA | CTA - School Psychologist | More personnel in the identification part of designation . | |
| 4 | CTA | CTA - French Learning Supports | Additional Learning Support for French Immersion program. | |

9

Budget 2024/25

- The details and assumptions are documented in our published 'Budget 2024/25 & Multi-Year Fiscal Plan' document
- This is an aspect of our commitment to increased transparency and accountability
- Our budget development is guided by *Directions 2025*



10

2024/25 Budget Assumptions

- Enrolment growth expected to continue due to higher immigration levels for next year and stabilize thereafter
- International Education program will have very moderate growth as the program is re-established in a post-pandemic environment
- Interest rates expected to stabilize near current rates and will continue to generate additional interest income
- Ministry will only fund negotiated salary and wage increments
- Benefit costs (statutory and contractual) are expected to increase due to rate increases, higher usage, and inflationary increases from service providers
- Feeding Futures School Food Program - focused on food security



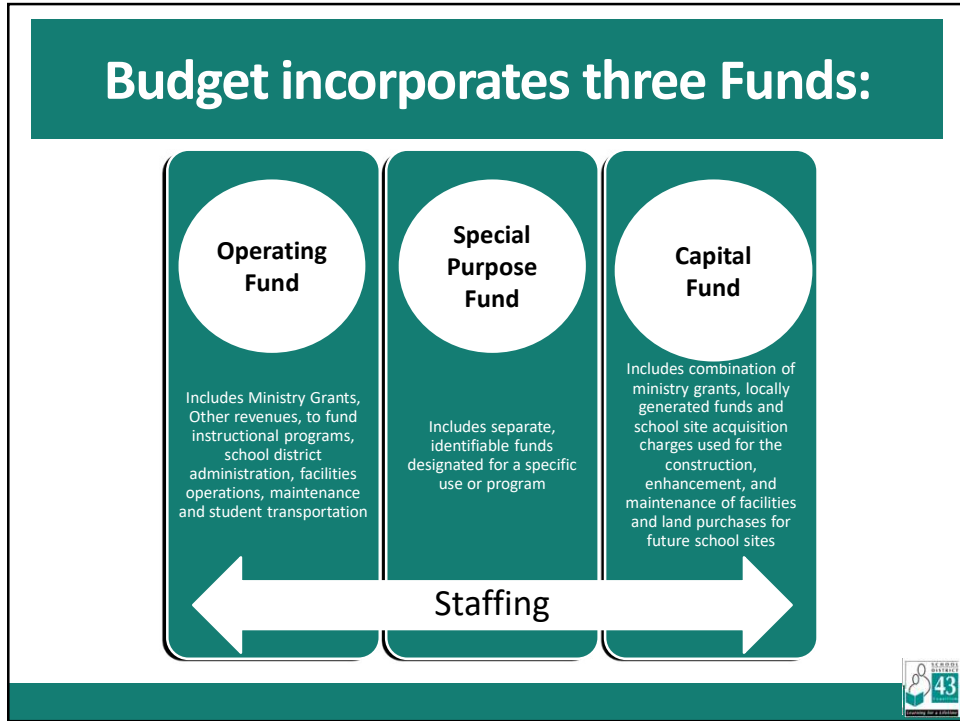
11

2024/25 Budget Deliberations

- Most expenditure increases are due to contractual, legislative, inflationary or regulatory requirements
 - The Ministry does not provide funding for these increases
- Benefit rates for CPP, EI, WorkSafe, Health and Dental Benefits are increasing
 - The Ministry does not provide adequate funding for these increases
- Projecting an enrollment increase in our standard K-12
 - Only funded for those that are in our schools before September 30th.
- May need to add classrooms or portables from higher enrollment levels
 - These are not funded by the Ministry



12



13

Change in Enrolment

| Change in Enrolment | Increase/(Decrease) |
|----------------------------------|---------------------|
| Standard Schools | 565 |
| Internal Enrolment Holdback | (100) |
| CE/Home School/Course Challenges | 0 |
| Alternate Schools | 32 |
| Distributed Learning (online) | (8) |
| Level 1 Special Needs | (1) |
| Level 2 Special Needs | 37 |
| Level 3 Special Needs | (21) |
| English Language Learning (ELL) | 404 |
| Indigenous Education | (54) |
| Adult Education | (6) |

14

Change in Operating Grant Funding

| Changes in Operating Grant Funding | \$ | TOTAL |
|--|-------------|----------------------|
| Increase in grant funding due to enrollment increase | 5,322,289 | |
| Increase in per student grant funding - COLA adjustment - 2023/24* | 5,993,872 | |
| Increase in per student grant funding - Contractual increments - 2024/25 | 5,686,872 | |
| Increase in Other Supplementary Grants | 346,460 | |
| NEW - Indigenous Education Council Grant | 114,750 | |
| Increase in Operating Grant Funding (from Amended Budget) | | \$17,464,243 |
| Reversal of One-Time Grant Funding provided in 2023/24 | \$ | TOTAL |
| Reversal of one-time grant funding for 2023/24 COLA Adj | (5,993,872) | |
| *this amount has now been included in the base per student grant | | |
| Less amount allocated for CEF related wage increments | 893,999 | |
| Reversal of Special grant for COLA funding adjustment | | (\$5,099,873) |
| Net Increase in Operating Grants | | \$12,364,370 |



15

2024/25 - Other Revenues

| Increase in Other Revenues | \$ | TOTAL |
|--|-----------|--------------------|
| Increase in International Education Program Revenues | 2,985,500 | |
| + Regular program International Education Revenues \$20.125M | | |
| + Regular program enrollment - 1150 FTE | | |
| Increase in Investment Revenues | 567,608 | |
| Total Increase in Other Revenues | | \$3,553,108 |



16

2024/25 – Reversal of one-time budget uses

| Reversals of one-time Budgets available for other use in 2024/25: | \$ | TOTAL |
|---|-----------|--------------------|
| Budget utilized for Portables and Classroom finishing at Centennial | 1,000,000 | |
| Budget utilized to establish one-time staffing contingency | 972,830 | |
| Budget utilized for one-time initiatives/cost pressures | 121,266 | |
| Other Funds available for use in 2024/25 | | \$2,094,096 |



17

2024/25 Salary and Benefit Increases Funded through Operating Grant

| Salary and Benefit Increments - Funded | \$ | TOTAL |
|--|-----------|----------------------|
| Teachers' Salary increases | 3,512,982 | |
| Educational Assistants Wage increases | 595,941 | |
| Support Staff Wage Increases | 777,298 | |
| Other professionals Salary Increases | 426,640 | |
| Benefits related to salary and wage increments | 801,595 | |
| Salary and Benefit increase related to negotiated increases | | (\$6,114,456) |



18

2024/25 Contractual/Statutory/Inflationary Increases (not funded by Operating grants)

| Other Contractual/Statutory/Inflationary Increases | \$ | TOTAL |
|---|-----------|----------------------|
| Teachers' - step increments, less adjustment for retirements | 1,485,000 | |
| Administrators - step and wage increments & related benefits | 911,113 | |
| Substitutes - wage increments | 641,395 | |
| Employee Benefits (CPP, EI, WorkSafeBC, Health & Dental rate increases) | 3,672,320 | |
| Wage increments for Staffing related to International Education program | 667,236 | |
| Utilities contractual increases (natural gas and electricity) | 362,718 | |
| OTHER Contractual/Statutory Increases/Inflationary | | (\$7,739,782) |



19

2024/25 – Operational Budget Reductions

| Decreases to Operational Budgets | \$ | TOTAL |
|--|---------|------------------|
| Reduction of various board level budgets | 440,709 | |
| Reduction of Assistant Superintendent Budgets | 136,717 | |
| Reduction of Contingency Budget | 169,966 | |
| Decrease Indigenous Education Budgets (lower enrollment) | 19,140 | |
| Reduction in Budgets | | \$766,532 |



20

2024/25 – Increases to Operational Budgets

| Increases to Operational Budgets | \$ | TOTAL |
|---|-----------|----------------------|
| Increase in International Education Program related expenses | 1,002,838 | |
| Increase school based budget allocations for enrollment increases | 40,000 | |
| Increase Technology Security Software and transition to Cloud | 69,000 | |
| Increase Student Leadership Council budget for food and TTOC | 5,000 | |
| Support Strong Start Program through Operating Fund | 80,000 | |
| Indigenous Education Councils - to correspond to new grant | 114,750 | |
| Increases to Budgets | | (\$1,311,588) |



21

Summary of Staffing Additions Operating Budget

| Staffing Additions- OPERATING FUND | FTE | \$ | TOTAL |
|---|--------------|--------------------|----------------------|
| Teachers - enrollment increases | 13.0 | 1,755,000 | |
| Teachers - Take a Hike Program | 1.0 | 135,000 | |
| Teachers - International Education enrollment increases | 2.4 | 298,672 | |
| Educational Assistants - enrollment increases level 2 and 3 | 18.5 | 1,110,001 | |
| Educational Assistants - convert 4 middle school EA to 35 hours | | 40,000 | |
| Youth Workers - add a YW position for the Take a Hike program by reallocating one YW position from the Alternate Programs | 1.0 (1.0) | 84,331 (84,331) | |
| Clerical - Convert Secretary II at LBP and Pinetree to Permanent | 1.0 | 66,192 | |
| Principal - Facilities Initiatives (transfer from capital fund) | 1.0 | 207,415 | |
| Increase in expenditures for Staffing additions | 36.9 | | (\$3,612,280) |



22

2024/25 Change in Surplus usage

| Difference from prior year Surplus usage | \$ | TOTAL |
|--|-------------|------------|
| Reversal of surplus utilized during 2023/24 | (3,750,000) | |
| Surplus usage for 2024/25 per surplus policy | 3,750,000 | |
| Change in surplus usage for 2024/25 | | \$0 |

Planned annual surplus usage of \$3,750,000 per our Reserves policy



23

Summary of Changes

| Summary of Changes (from Amended to Preliminary) | \$ | TOTAL |
|--|-------------|--------------|
| Ministry Grant Funding Increase (enrolment and wage settlements) | 17,464,243 | |
| Reversal of one time COLA funding (included in base grant funding above) | (5,099,873) | |
| Increases in Other Revenues | 3,553,108 | |
| Reversals of one-time budgets from prior year available for 2024-25 | 2,094,096 | |
| TOTAL Increase in Grants and Other Revenues | | 18,011,574 |
| Contractually negotiated Salary & Benefits Increases | (6,114,456) | |
| Other Contractual/Statutory/Inflationary Increases | (7,739,782) | |
| Decrease to Various Operating Budgets | 766,532 | |
| Increase in Various Operating Budgets | (1,311,588) | |
| Staffing Additions - Operating Budget | (3,612,280) | |
| TOTAL Increase in Expenses | | (18,011,574) |
| Change in surplus usage from prior year | 0 | 0 |
| Balanced Budget | | 0 |



24

Operating Budget – Summary

| Operating Budget Summary | Actual 2022/23 | Amended 2023/24 | Preliminary 2024/25 |
|----------------------------------|--------------------|--------------------|------------------------|
| Revenues | | | |
| Provincial Grants | 326,744,082 | 360,251,401 | 371,682,989 |
| Other | 29,735,422 | 25,452,466 | 29,055,574 |
| TOTAL REVENUES | 356,479,504 | 385,703,867 | 400,738,563 |
| Expenses | | | |
| Salaries | 244,598,719 | 275,836,776 | 285,137,928 |
| Benefits | 67,323,820 | 74,756,612 | 80,017,277 |
| Services and Supplies | 31,199,103 | 35,360,479 | 36,833,358 |
| TOTAL EXPENSES | 343,121,642 | 385,953,867 | 401,988,563 |
| Operating Surplus/Deficit | 13,357,862 | (250,000) | (1,250,000) |
| Capital Purchases and Transfers | (13,806,997) | (3,500,000) | (2,500,000) |
| Use of Surplus | 15,149,987 | 3,750,000 | 3,750,000 |
| Surplus/(Deficit) | 14,700,852 | 0 | 0 |



25

Operating Budget – Summary

- Used reserves in a fiscally responsible manner to ensure future financial sustainability, \$3.75 million per policy
- International Education Program – enhances school district programs, services & provides financial stability
- Prioritized funding to support student success:
 - Retained staffing positions and department heads added during 2023/24
 - Adding 36.9 FTE positions for 2024/25
 - Retained 15 FTE permanent TTOC positions
- Used \$170,000 of contingency budget to address funding shortfall
- Taken a cautious and conservative approach in the Preliminary Budget planning to minimize operational disruptions during the school year



26

Special Purpose Funds

Special Purpose Funds include:

- School Generated Funds
- Annual Facility Grant
- Learning Improvement Fund
- CommunityLINK Funds
- Classroom Enhancement Fund
- Provincial Resource Program
- Federal French Language Grant
- Settlement Services and Language Instruction for Newcomers
- Early Learning Programs (Strong Start & Ready Set Learn, Changing results for Young children)
- Mental Health in Schools
- First Nations Student Transportation
- Feeding Futures School Food Program
- Student & Family Affordability Funding
- Other Funds



27

Staffing Summary – Special Purpose Fund

| Special Purpose Fund | Actual 2022/23 | Amended 2023/24 | Preliminary 2024/25 | Change from prior year |
|------------------------|-------------------|--------------------|------------------------|---------------------------|
| Teachers | 338.14 | 355.21 | 363.21 | 8.00 |
| Support | 7.40 | 12.59 | 13.02 | 0.44 |
| Educational Assistants | 88.28 | 90.28 | 89.78 | (0.50) |
| Administrators | 1.65 | 1.65 | 1.65 | 0.00 |
| Other Professionals | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL | 435.47 | 459.73 | 467.66 | 7.94 |

- Increase of 8.0 FTE teachers for class/size composition - Classroom Enhancement Fund
- Increase of 0.43FTE for school meals clerical – Feeding Futures School Food Program
- Increase of 1.0 FTE YW position at elementary schools with higher needs – CommunityLINK
- Decrease of (1.5) FTE Strong Start Facilitator positions
 - due to closure of 3 sites required for enrollment growth related classroom needs



28

Classroom Enhancement Fund

| Classroom Enhancement Fund | Amended 2023/24 | | Preliminary 2024/25 | | Preliminary vs Amended | |
|----------------------------|-----------------|-------------------|---------------------|-------------------|------------------------|------------------|
| | FTE | \$ | FTE | \$ | FTE | \$ |
| Teachers | 339.48 | 43,079,295 | 347.48 | 44,960,308 | 8.00 | 1,881,013 |
| TTOC's | | 1,799,910 | | 1,842,326 | - | 42,416 |
| EA's | 33.00 | 1,880,012 | 33.00 | 1,940,345 | - | 60,333 |
| Administrators | 1.00 | 421,678 | 1.00 | 421,678 | - | - |
| Other Expenses | | 100,000 | | 100,000 | - | - |
| TOTAL | 373.48 | 47,280,895 | 381.48 | 49,264,657 | 8.00 | 1,983,762 |
| Remedy Costs | | 3,742,218 | | TBD | - | TBD |



29

Capital Fund 2024/25

- Our capital budget incorporates the following key elements:
 - Transfer 1 FTE position (Principal of Facilities Initiatives) to Operating Fund
 - Lease revenues from closed schools, interest income and SSAC charges.
 - Construction activity for new schools, seismic replacements, building envelope projects
 - Annual Facility Grant projects
 - Transfers from Operating to Capital for capital item purchases
 - Continued MOA#17 best efforts:
 - Purchase and installation of portables and classroom conversions



30

Risk Factors

- Underfunding
 - statutory and benefit cost increases
 - inflationary costs
- Enrollment growth and classroom space requirements
- Capital funding requirements
- Staffing/recruitment challenges
- Classroom Enhancement Fund



31

2024/25 Budget Outcomes

- Balanced multiple interests from partner groups and public
- Added staffing
- Financial stability through Accumulated Operating Surplus Policy
- Supporting our most vulnerable learners
- Maximizing resources for student success



32