

2018/2019 Budget Presentation

'Budget Certainty'

Presented to the Board of Education
April 10, 2018

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Presentation Agenda

1. Background Information
2. Directions 2020 and Financial Governance
3. 2017/18 In Review
4. 2018/19 Proposed Budget
 - Significant Influences
 - Considerations
 - Staffing Levels
 - CEF and Capital
5. Risks

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Key Budget Dates

- February 20 – Provincial Budget announcement
- March 14 – Ministry announcement of 2018/19 preliminary operating grant
- April 10 – Public Board Meeting – 2018/19 Budget draft tabled
- April 17 – Special Public Budget Meeting – Stakeholder Feedback presentations
- April 24 – Public Board Meeting and Board Approval of the Budget

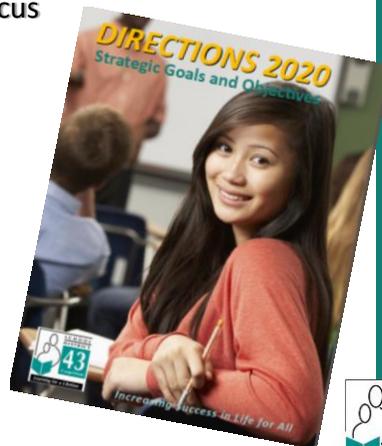
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Directions 2020

Within a framework of a financially stable and sustainable outlook, our continued financial focus is guided by our *Directions 2020* goals and objectives:

- **Achieve Student Success**
- **Enhance Learning Through Technology**
- **Foster a Sustainable Educational Organization**



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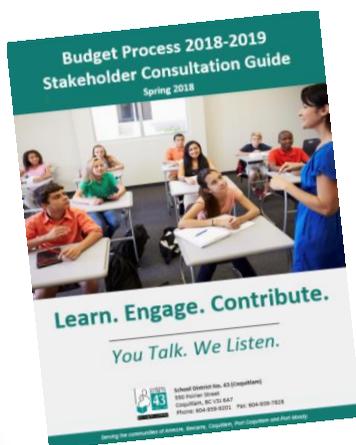
Financial Governance Framework



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Budget Process Consultation Guide



The Consultation Guide provides information related to budget planning, the governance principles under which budgets are developed, and some comparative information to better inform the budget process.

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Three Significant Accomplishments

There are three significant accomplishments that have shaped our School District this year that will have a lasting impact:

1. Implementation of the SCC decision MOA#17 – Class size and composition organization went exceedingly well
2. Enhanced Learning through Technology – Micro:Bits coding and demonstrated Global leadership
3. Agreement to close the Non-Teaching Pension Plan and transition our employees to the Municipal Pension Plan

A theme underlying these successes, which support student success is: heightened collaboration, cooperation, and team work with employees, partner groups and leadership throughout the School District.

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2017/18 Achievements

Goal 1 – *Achieve Student Success*

- Added teacher staffing, education assistants, school clerical and administrator resources as funding levels were confirmed and additional student needs defined:
 - Mental Health Coordinator
 - Inclusion Support Team members (+ 6.0 added team members)
 - School Psychologists (+3.1 to a total of 10.0FTE)
 - Speech and Language Pathologists (+2 to a total of 13.6 FTE)
 - Education Assistants
 - (33.0 FTE added, plus a further 8.33 temporary positions)
 - Added a Manager position
 - Added 2 Lead hand positions
 - Gifted Education (+0.50 FTE)
 - Administration positions added at Secondary Schools (all have 3 VP's) and reduced teaching time at elementary and middle schools
- Provided additional resources (equipment, supplies, and release time) for teacher training and mentoring

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2017/18 Achievements

Goal 1 – *Achieve Student Success*

Additional initiatives also include:

- Mindful Leadership Development
 - Eg. Supervision for Learning and Adaptive Schools Training
- Expanded Student and Teacher Leadership opportunities
 - Building Leadership Capacity for teachers and students with a focus on middle and secondary schools
- Executed on the multi-year initiative of implementing the revised curriculum which includes:
 - Communicating student learning outcomes;
 - Student Self Reporting on Core Competencies; and
 - Implementation of new District Report Card Template
- Field tested early screening process for Literacy Skills

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2017/18 Achievements

Goal 2 – *Enhance Learning Through Technology*

- Continued with the multi-year technology plans including centralized provisioning of teacher laptops, student device subsidy initiatives and district wide wireless infrastructure upgrades
- Placed focus on the development of coding initiatives at all three levels that expose students to analytical thinking using technology – think Micro:Bits and accessibility for all teachers.
- Continued with the comprehensive professional development program providing a wide variety of educational technology training experiences for teachers with ongoing support from four technology teachers
- Continued with teacher training and community training opportunities using the updated digital citizenship teacher support site, parent presentations and Professional Day events to increase community awareness and knowledge



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2017/18 Achievements

Goal 3 – Foster a Sustainable Educational Organization

- **We are Debt Free and eliminated the \$23 million unfunded EFB liability bringing greater certainty to our financial stability**
- The Board accelerated the adoption of Financial Governance best practices as recommended by the Ministry of Education and the Office of the Auditor General
- Our multi-year financial plan continues to provide a stable funding source to address deferred maintenance (as recommended by the Auditor General) and a funding source to ensure educational technology support for schools

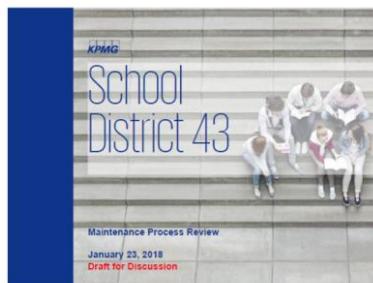
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2017/18 Achievements

Goal 3 – Foster a Sustainable Educational Organization

- An additional achievement is the review of the maintenance department initiated by the Facilities Department to bring forward best practices and create efficiencies to better serve the District
- With a \$30 million operating budget including custodians, maintenance staff, and their related responsibilities and a project team managing 5 schools under construction, 3 schools with planned additions and preparing for adding 19 portables and 11 classrooms conversions; work flow and right sizing the Department is a priority



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Financial Statement Discussion & Analysis

We have advanced the level of transparency with a more detailed and open discussion of our financial outcomes, explaining variances to budget and projecting expected outcomes for the year.

The quarterly financial report has also been standardized.

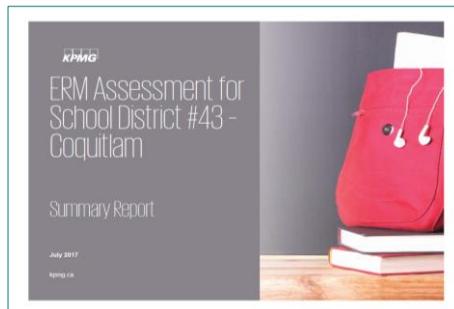


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Enterprise Risk Management Study

A risk review was undertaken at the end of the 2016/17 school year that included input from all stakeholders. This initiative identified 26 areas of risk – 4 of the top 5 are human resources related. This report helps to bring a focus to furthering organizational sustainability and targeting resources to address capacity requirements.



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Historic Staffing

We take the opportunity to review current FTE staffing levels against those of 5 years ago – the peak staffing levels in the past 10 years.

Staffing Category	2012/13 Actual	2017/18 Budget	Staffing Increase	% of total added
Teachers	1,849	1,977	128	56%
Support Staff	982	1,056	74	33%
Administration & Excluded	169	195	26	11%
Total	3,001	3,228	227	100%
Student FTE	30,345	30,609		

Substitute Budget

Staffing Category	2012/13 Actual	2017/18 Budget
Teacher - Illness & Contractual Absences	5,848,658	6,569,284
Support Staff - Illness & Contractual Absences	1,913,213	1,915,134
Support Staff - Draw Time	747,023	990,971
Admin & Management Absences	113,246	194,985
Total	8,508,894	9,475,389

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2018/19 Preliminary Budget

The 2018/19 budget process, details and assumptions are documented in our published 'Budget Process & Assumptions' document.

This is an aspect of our commitment to increased transparency and accountability.

Our budget development is guided by *Directions 2020*



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2018/19 Budget Consultation

- Prior to developing the 2018/19 budget, the Board invited stakeholder groups (CTA, CUPE, CPVPA, DPAC) to meet and to listen to their concerns, receive information and share the feedback with senior management.
- In an effort to provide value added information to the Board and the public, senior management provided a series of presentations on a variety of topics that had been highlighted over the preceding year including:
 - Student Learning Framework
 - Restorative Practices
 - Student Self Reporting on Core Competencies
 - Mindful Leadership
 - Class Size and Composition
 - Action Plans for Learning
 - Trades and Transition Programs
 - English Language Learners
 - Student Leadership Council
 - Technology Educational Initiatives

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Budget Process & Assumptions

- What we heard and how we have responded -
 We heard your comments and when aligned with our vision and resources have incorporated them into our financial plan.

BOARD OF EDUCATION Stakeholder Comments - Financial Summary						Appendix A
Related	Partner Group	Stakeholder	Budgetary Request - What we Heard	FTE added 2017/18	Staffing Level including additions	How we have Responded
1	SIC	Student Leadership Council	Additional in-school counsellor support			
1	CPVPA	CPVPA	Increase counselling time at secondary and large elementary schools	5.41	63.81	Currently staffed at 5.4 FTE above ratio requirements.
1	CTA	School Counsellors	Increase counsellors in schools			
2	CUPE	Transitions Education	1.0 Transitions Educator (for students with intellectual and development disabilities)			
2	External	Youth Employment Initiative	0.5 Youth Employment Initiative Coordinator	0.00	0.00	No additional staffing added
3	CUPE	Transitions Education	1.0 Work Experience Facilitator			
3	External	Youth Employment Initiative	2.0 Youth Employment Initiative Facilitators	0.00	1.00	No additional staffing added
3	External	Youth Employment Initiative	1.0 Youth Employment Initiative Support staff	0.00	0.00	No additional staffing added
3	CUPE	Career Resource Facilitators	Increase career resource facilitators in schools	0.00	4.57	No additional staffing added
4	CPVPA	CPVPA	Increase VP at secondary schools	7.00	SEC Admin F'18 -32 FTE F'17 -25 FTE	Added 2.0 VP's at Secondary Schools; added 1 VP at Moody Middle.
4	CPVPA	CPVPA	Increase admin time at all levels, specifically reducing teaching time at elementary	2.78	ELEM admin time F'18 -37.8 F'17 -35.0	All Middle VP's have minimum of 0.4 admin; increased elementary admin time to min 0.7; increase Elem VP admin time to min of 0.4.
4	CPVPA	CPVPA	Head Teacher assignments at secondary schools	0.750	0.750	Added Head Teacher at Centennial and 1 Head Teacher at Pinetree; transferred Head Teacher position from Kinross Middle to Terry Fox and 3 head teacher positions added in 2016-7 at Hester, Panorama and Inuvic
4	CPVPA	CPVPA	Increase support for administrative tasks	see above	see above	see above

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2018/19 Budget Deliberations

- The budget has been prepared on the basis that it can be sustainable over multiple years.
- Rising cost pressures continues to outpace grant funding provisions. The School District receives no funds to address inflationary costs other than contractual salary increments.
 - Of particular note is the impact of the new employer health tax – which has not been funded by government.
- The majority of the increases in expenditures are due to contractual, legislative, inflationary or regulatory requirements.

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2018/19 Budget Deliberations

- The budget has been adjusted to include contractual increases for wages and related benefit costs as well as provisions for salary increases for exempt staff.
- 2017/18 was yet again a banner year for International Education enrolment and profitability. We have exercised prudence by resetting 2018/19 to a base enrolment level.
- Continued attention to identifying and investing in operating efficiencies and risk areas – as discussed earlier – provides an important focus for ongoing sustainability.

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Operating Budget Discussion

- Enrolment & Grant Funding
 - Student enrolment is expected to decrease 133 students while students with special needs continues to increase.
 - Base Grant Funding has been increased from \$7,301 to \$7,423.
 - Total Grant Funding is increasing by approximately \$4.4 million over the prior year.
- Salaries
 - Teacher and Support staff salaries and wages have been increased consistent with the collective agreements.
 - A salary provision has been provided for Excluded Staff
 - Substitute salaries are essentially unchanged.

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Operating Budget Discussion

- Benefit Costs continue to escalate.
 - MSP/EHT – The new employer health tax adds \$1.65 million to budget costs. This has **not** been funded through increased grants.
 - While Coquitlam’s pension plan (NTPP) for non-teaching staff has been closed, solvency payments are required until a new actuarial valuation is filed mid-2019. \$3.5M has been budgeted.
 - The net incremental cost of the MPP transition (\$10M), incorporated into the 2017/18 budget, have been removed.
 - CPP begins an enhancement transition over the next 7 years. The first phase will see the rate increase from 4.95% to 5.95%. This adds an incremental cost – beyond the normal year over year increase of \$300,000
- Services & Supplies remain relative stable with increased provisions for custodial and equipment supplies and to support mentoring, EA training and skill upgrades, and additional funding to support vulnerable students.

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Operating Budget Summary

- The allocated accumulated operating surplus of \$3.3M from the past two years is incorporated into the 2018/19 proposed budget as per the Board's multi-year sustainability policy.
- A portion of the anticipated 2017/18 surplus (\$800,000) has been incorporated into the 2018/19 budget which replaces the surplus amount that expires from the 2015/16 year.
- Retained School Supply funds (to be carried forward) are expected to remain relatively constant.
- A \$500,000 reserve is retained in the budget for emergent issues.

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Operating Budget Summary

(in ,000's)	2017/2018	2018/2019	Variance
	Amended Budget	Preliminary Budget	
Operating Grant	269,818	274,219	4,401
Other Fees and Revenue	38,121	35,795	(2,327)
Total - Revenue	307,939	310,014	2,075
Salaries - Teachers	141,099	145,262	4,164
Salaries - Administrators	13,993	14,582	589
Salaries - Educational Assistants	16,285	17,772	1,487
Salaries - Support Staff	23,587	25,060	1,473
Salaries - Other Professionals	6,052	6,427	376
Salaries - Substitutes	9,785	9,702	(83)
Benefits	69,192	62,604	(6,587)
Total - Salaries and Benefits	279,992	281,410	1,417
Services	8,353	8,504	151
Student Transportation	431	431	
Supplies	10,827	11,338	511
Utilities	5,477	5,477	
Insurance/ Leases/Fees/Prof Development	6,656	5,997	(659)
Total - Supplies and Services	31,743	31,747	4
Total - Expenses	311,735	313,156	1,421
Total - Current Period Surplus/ (Deficit)	(3,796)	(3,142)	654

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Operating Budget Summary

(in ,000's)	2017/2018	2018/2019	Variance
	Amended Budget	Preliminary Budget	
Total Revenues	307,939	310,014	2,075
Total Salaries	210,801	218,805	8,005
Total Benefits	69,192	62,604	(6,587)
Total Supplies and Services	31,743	31,747	4
Total Expenses	311,735	313,156	1,421
Total Current Period Surplus/Deficit	(3,796)	(3,142)	654
Transfer to Capital Account	(2,546)		2,546
Tangible Assets Purchased	(1,000)	(1,000)	
PRGB Sourced Surplus - 2016/17	3,200		(3,200)
Accumulated Surplus - 2014/15	800		(800)
Accumulated Surplus - 2015/16	1,393	1,393	
Accumulated Surplus - 2016/17	1,949	1,949	
Accumulated Surplus - 2017/18 (Estimated)		800	800
Variance to Breakeven	-	-	-



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Operating Budget Staffing

Staffing Category	Preliminary 2017/18 Staffing	Amended 2017/18 Staffing	Preliminary 2018/19 Staffing	Variance	Comment
Teachers (exc International Ed)	1,581.58	1,580.97	1,585.51	4.54	Reduction in Student Enrolment = (11.46) Increased Staffing = +16.0
Teachers - (Interim staffing)	15.00	15.00	15.00	-	Staffing lift to be reviewed annually
Student Services Teachers - (SLP/TL/Psychologist)	49.20	54.80	53.80	(1.00)	Temp library support teacher reallocated into Admin relief position
Teachers - International Ed	97.90	132.00	132.00	-	Maintain without layoff given strength of program
Support Staff	501.09	511.09	512.59	1.50	Net additional clerical staff
Educational Assistants & Youth Workers	435.63	453.54	480.64	27.10	Includes 2.0 YW's transferred from Community Link
Administration	114.50	113.50	113.50	-	10 Administrators hired through CEF in 2017/18
Other Professionals	54.00	64.00	64.50	0.50	HR - Recruiter
Total	2,848.90	2,924.90	2,957.54	32.64	



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Operating Staffing Ratios 17/18

School District vs Provincial Average



Staffing Comparison	Coquitlam Staff (full-time equivalent)	Provincial Average (student: staff member)	Coquitlam (student: staff member)	Variance	Variance Prior Year
Teachers	1,776.27	17.48	17.23	1.42%	1.68%
Principals & Vice-Principals	116.50	208.48	262.74	-26.03%	-28.31%
Other Professionals (HR, excluded management and staff, Trustees)	62.00	304.22	493.70	-62.28%	-85.75%
Support Staff	510.11	49.94	60.01	-20.17%	-23.50%
Educational Assistants	451.46	51.06	67.80	-32.79%	-40.80%
All Staff	2,916.34	9.53	10.50	-10.10%	-11.78%

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Operating Budget Increments

Goal 1 – Achieve Student Success

- Incremental student resources:
 - No Teacher Layoffs for a second year
 - Teacher support (8.0FTE) for Curriculum implementation
 - 20 FTE additional Education Assistants
 - Increased support for vulnerable students
- Focus on staffing adequacy – Education Assistants, Teachers, TTOC's and student support
- Funding for expanded classroom facilities

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Operating Budget Increments

Goal 2 – *Enhance Learning Through Technology*

- Continuing Education expanded digital literacy programs
- Ongoing financial support for refreshing computer devices
- Continued classroom innovation initiatives: i.e. Microbits

Goal 3 – *Foster a Sustainable Educational Organization*

- Adequate funding and resources to complete the MPP transition.
- Final stages of organization capacity implementation.
- Implementation of Facilities maintenance department review.
- And again it is our intention to **NOT** layoff any teachers this year, such that we can maximize retention of our teaching staff

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Classroom Enhancement Fund

The Classroom Enhancement Fund (CEF) was established to provide funding for additional staffing requirements as an outcome of restored class size and class composition limits. The fund is captured as a Special Purpose Fund and is not included in the Operating accounts.

- We have planned to add 35 additional teachers and 4 additional educational assistants using the CEF as the funding source
- The 2017/18 funding base is expected to be augmented for the additional staffing required to meet best efforts.
- We will continue to maintain the non-enrolling teacher staffing ratios in accordance with MOA#17

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Capital 2018/19

Our Capital Budget incorporates the following key elements:

- Continued MOA#17 best efforts:
 - For September 2018 – the addition of 19 portables and the conversion of in school space for an additional 11 classrooms
 - Beyond September 2018 – Classroom additions at Charles Best Secondary (6 classrooms) Westwood Elementary (4 classrooms) and Panorama Heights Elementary (4 classrooms).
- Financial finalization of the construction completion of Smiling Creek Elementary, Banting Middle and Moody Middle.
- Construction funding for Centennial Secondary, Minnehada Middle, Irvine Elementary and three identified school classroom additions noted above.

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Other Budgeted Programs

The annual budget bylaw to be approved by the Board will include the annual budgeted revenues and expenses for operating, special purpose and capital funds

- Special Purpose funds include:
 - School Generated Funds
 - Annual Facility Grant
 - Learning Improvement Fund
 - Community LINK Funds
 - Federal French Language Grant
 - Settlement Services
 - Language Instruction Newcomers
 - Early Learning Programs
 - Other Programs
- Capital Fund Budget will also include the following:
 - Net budget changes to Invested in Capital Assets
 - Net budget changes to Local Capital

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Risks

- The recruitment of qualified staff remains of high concern. We continued to experience staffing shortages with education assistant positions and teachers teaching on call. In addition, we are realizing difficulties in staffing some managerial positions with qualified applicants.
- The current Funding Model Review, with no new funds to be injected into the K-12 Education system, has the potential to negatively impact our School District as grants are potentially redistributed.
- Significant underfunding of capital for new and replacement school facilities creates a requirement to redirect funds out of the classroom to meet this requirement.
- Sustainable technology funding is lacking while there is an increased utilization as an educational delivery tool.
- Grant funding adequacy to meet the best efforts requirements of MOA#17 remains an elevated risk.
- Our business systems (human resources, payroll, finance) are dated and require a significant resource emphasis to meet current and future requirements.

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2018/19 Budget Outcomes

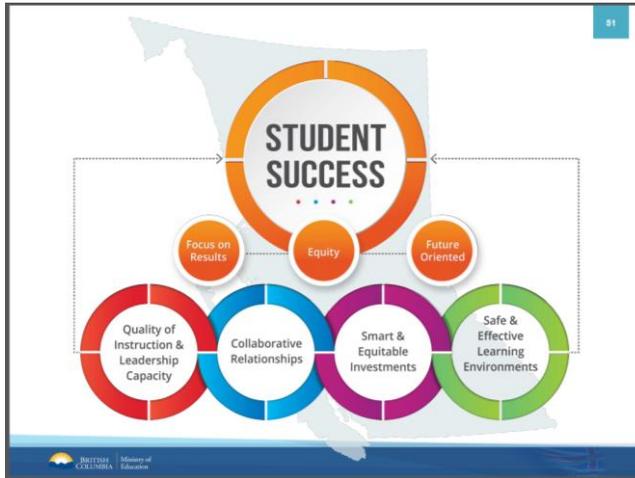
'Budget Certainty'

- We have balanced the multiple interests of all stakeholders with the need to maintain a balanced budget under the *School Act*.
- Building and maintaining a financially healthy and sustainable school district for years to come involves making some very difficult choices and decisions in an environment in which funding does not keep up with inflation.
- The multi-year approach which incorporates the use of accumulated operating surpluses over subsequent years is in keeping with the recommendation of the Ministry of Education and the Office of the Auditor General.
- The 2018/19 budget continues to provide resources to support student success and enhance student learning while maintaining a financially healthy, stable, and sustainable education system for the long term.

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Student Success



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Thank You



Questions?

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