

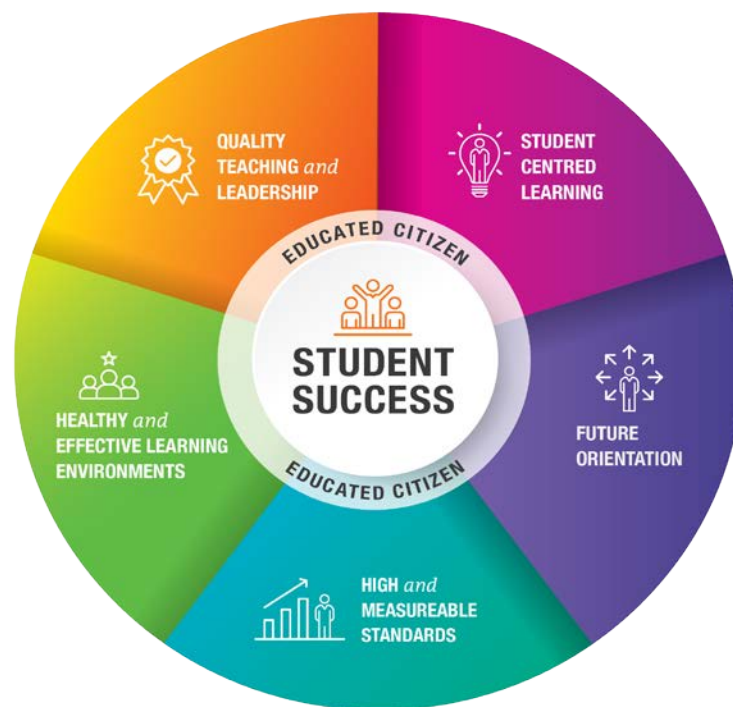
2019/20 Preliminary Budget and Multi- Year Financial Forecast



April 09, 2019

Develop in our students the following attributes of the educated citizen:

strong character and cultural identity,
effective communicator,
critical and creative thinker, contributor, collaborator,
personally and socially responsible.



Focus all talents, efforts and resources on improving student success.

Our success will not be measured by the amount of investment, legislative changes, the number of programs or the amount of new construction, but rather on how well all students, regardless of their background or where they live in B. C., are succeeding in life.

Table of Contents

I.	Table of Contents	3
II.	Budget Overview.....	5
III.	Financial Governance	5
IV.	Directions 2020: Strategic Vision.....	6
V.	Budget and Financial Planning Cycle	7
VI.	Schedule of Board Meeting Presentations.....	8
VII.	Public Comments and Presentations	10
VIII.	Partner Group Meetings	10
IX.	Budget Fund Types	10
X.	Section 2a: 2019/20 Operating Budget.....	11
	Budget Overview.....	11
	Enrolment	11
	Chart 1 - Enrolment Summary	11
	Revenues.....	12
	Other Revenues	13
	Staffing Levels	13
	Chart 3 - Operating Staffing Summary.....	14
	Expenses	15
	Salaries.....	15
	Benefits	15
	Other Expenses	17
XI.	Chart 4 - Operating Budget Summary	18
XII.	Section 2b: Special Purpose Funds	19
	Classroom Enhancement Fund	22
	Chart 5 - CEF Staffing and Budget Summary.....	22
XIII.	Section 2c: 2019/20 Capital Funds.....	23
XIV.	Factors Bearing on School District's Future Financial Stability and Other Significant Matters	25
XV.	Section 3: Multi-Year Operating Financial Forecast	29
	Assumptions and Charts	29
	Three Year Operating Budget Forecast Summary	40

XVI.	Section 4: Additional Information and Resources	41
	A History of Student Success	41
	Operating Staff: Student Ratios	42
XVII.	Glossary of Terms.....	51
XVIII.	Contacting Management.....	55



Budget Overview

The development of our strategic plan under the title of ***Directions 2020*** has shaped how the Board of Education and the School District Leadership Team receives information and gets input in the development of the annual budget. This process includes:

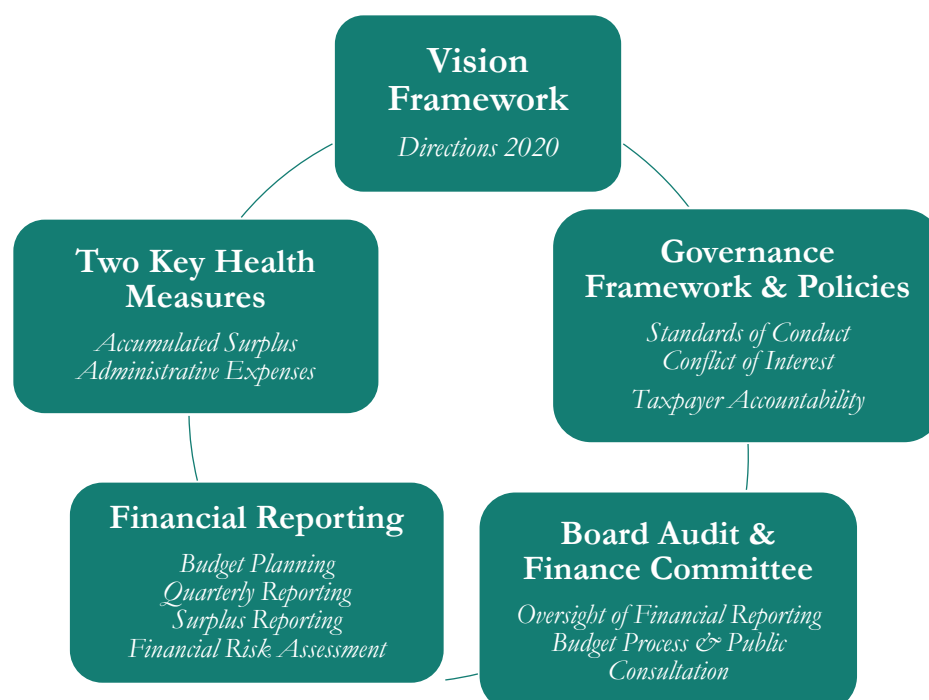
- a) Providing relevant information to the public about various programs, initiatives and issues;
- b) Offering the Partner Groups an opportunity to provide information with respect to their priorities to the Board in advance of the April budget presentations such that they could be appropriately considered and incorporated into the draft budget.

An outcome of this revised approach is increased information sharing and transparency in the development of the annual budget prior to the formal budget presentation in April.

The following report has been prepared to reflect our commitment to being transparent by providing guiding documents, background information and assumptions that were incorporated in the development of our 2019-20 Preliminary Budget.

Financial Governance

The Board has undertaken an extensive and proactive approach to its responsibilities for financial governance which includes the development of the annual budget guided by its vision framework and measuring financial performance against the budget. This is demonstrated in the interconnectivity of various elements that have been identified by the Ministry of Education and the Office of the Auditor General as representing best practices.



Directions 2020: Strategic Vision

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.

This vision, known as *Directions 2020*, will direct and enable the:

- fulfillment of our mission and goals and provide direction for future plans;
- prioritization and articulation of annual priorities and allocation of resources; and
- effective communication of results to allow for reflection, feedback and ongoing enhancement.

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 these three strategic high-level goals and several objectives.

Goal #1

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

Goal #2

Enhance Learning Through Technology: *Cultivate the use of technology to improve learning and working experiences for all.*

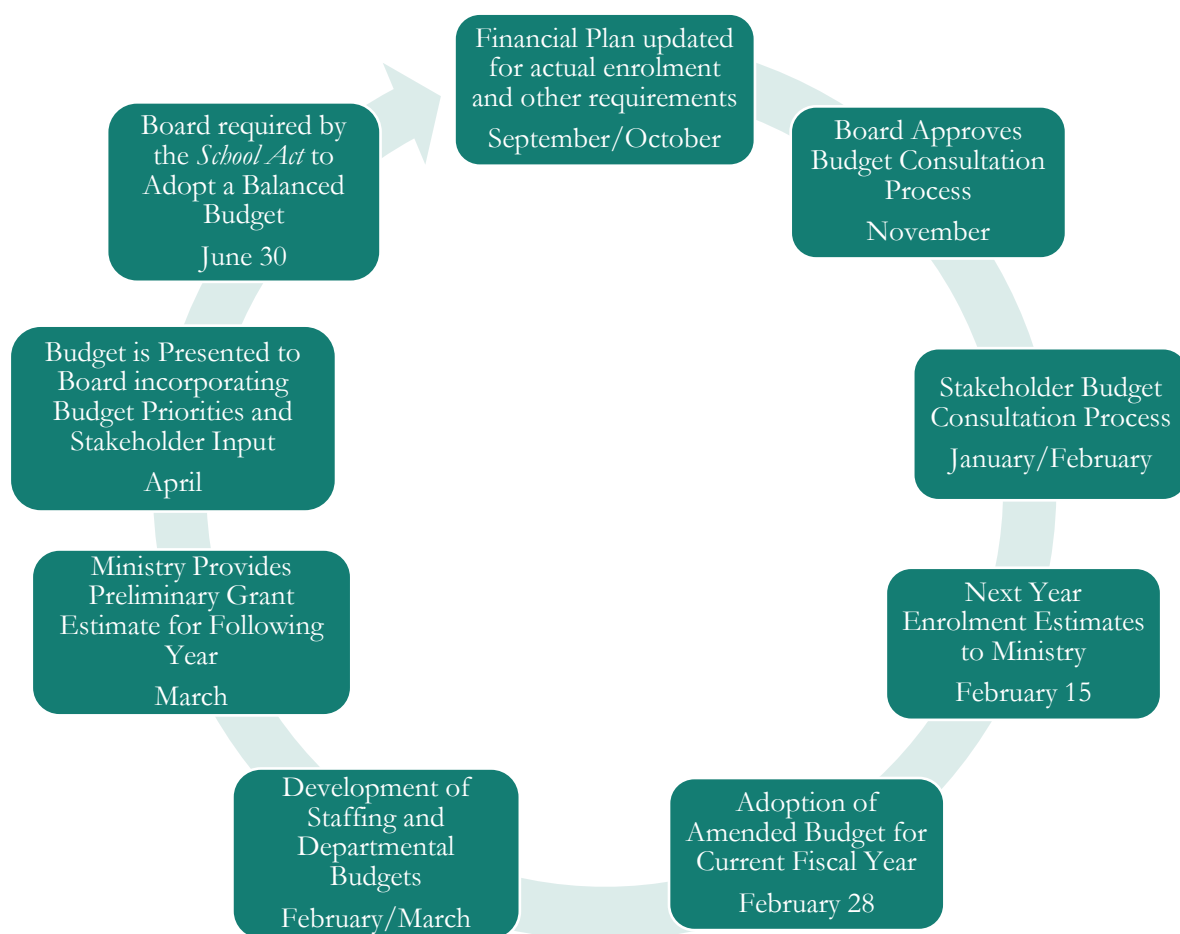
Goal #3

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

Read the complete [*Directions 2020* document here](#).



Budget and Financial Planning Cycle



September/October: Financial plans updated to capture September actual enrolment outcomes.

November: Board approves the Budget Consultation Process and timeline.

January/February: Board Budget Consultation Process – District Partner Groups – CTA, CUPE, CPVPA and DPAC are invited to present their Budget priorities for the next school year.

February 15th: District submits an estimate of next school year FTE student enrolment to the Ministry of Education.

February 28th: Board must adopt an Amended Annual Budget for the current school year.

March 15th: Ministry releases preliminary Operating Grant Revenue estimates for the next school year.

February/March: Finance Department leads development of staffing, school and departmental budget estimates for next school year incorporating Board priorities.

- Salary budgets are determined by establishing an average teacher salary for the upcoming year which includes the costs of all contractual salary increments and benefit costs.
- A Consultation Guide to frame the financial environment and budget process is released.

April: Draft Preliminary Budget and documented assumptions are presented to the Board and Public for comment.

May: New Budget uploaded into Finance system and budget decisions implementation planning initiated.

June: The School Acts requires that the Board must pass a balanced budget before June 30 each year.

Schedule of Board Meeting Presentations

Over the course of the past 12 months, there were numerous presentations made during public Board meetings to inform the Board and the public on various relevant topics of interest. This assisted the Board and School District Leadership Team in shaping their direction of the 2019-20 budget proposal. Below is a list of these presentations.

Board Meeting	Presentation Topic
April 24, 2018	Numeracy
	Tech Twenty
May 15, 2018	International Education Teacher Trip to China
	3 rd Quarter Financial Report
	Annual Facility Grant
	Port Moody Senior Secondary Student Trip to China
	Recycling Project
	Non-Teaching Pension Plan Stabilization
	Support Staffing
June 5, 2018	Education Learning Centre Approval Process
	Five Year Capital Plan
	International Education Report
	International Education Programs
	Enterprise Risk Management
	2019-20 Annual Five Year Capital Plan
	Eligible School Sites Resolution
	Middle/Secondary School – Burke Mtn. Joint Site
September 18, 2018	2017-18 Audited Financial Statements
	Action Plans for Learning
	International Education Summer School Report
	Continuing Education Summer Report
	2017/18 Financial Report and Analysis
	Risk Management - Misappropriation
	Seismic Risk Assessment
	Non-Teaching Pension Plan Update
	School Site Acquisition Charge Update
	Childcare Operations Report Addendum
	Classroom Enhancement Fund (CEF) Report
	Board/Authority Authorized Courses

Board Meeting	Presentation Topic
October 9, 2018	Core Competency Candids – an Inquiry into Student Voice
	Emergency Preparedness Update
	Premier’s Awards for Excellence in Education
	Enrolment Report
	Annual Facility Grant/Completed Summer Projects
	Seismic Early Warning Systems
	Community Schools Report
	Action Plans for Learning
	Child Care Task Force
	Maintenance Study Report
November 20, 2018	Student Leadership Council – Executive Update
	Child Care Update
	Rental and Lease Department Annual Report
	First Quarter Financial Report
	Financial Update 2018-19 (Cost Pressures Review)
	Employer Health Tax Update
	Accumulated Surplus Policy
	Statement of Financial Information (SOFI) Report
January 15, 2019	Aboriginal Education and the new Tripartite Agreement
	Tech Twenty – Assistive Technology
	December 2018 Grant Funding Confirmation
	Ministry Funding Model Review
	Moody Elementary Childcare Initiative
February 5, 2019	2 nd Quarter Financial Report
	Amended Budget 2018-19
	Music in SD43
	Budget Process & Consultation Guide
	French Immersion
February 26, 2019	Tech Twenty – Microsoft Teams & Office 365
	Funding Model Review Feedback
	Budget 2019-20 Enrolment Projections
	2018-19 Organization Capacity Staffing Report
	Board Authorized Courses
April 9, 2019	Strategic Plan Accomplishments

Public Comments and Presentations

An important aspect of our budget process is to capture comments, concerns and issues raised at previous budget consultation meetings and through other interactions with stakeholders that may influence budget deliberations. Attached to this report, (Appendix A), is the tracking of these comments as we heard them, and any subsequent action that was taken to incorporate these recommendations in the 2018-19 Amended Budget, which forms the base for the proposed Preliminary Budget for 2019-20.

Partner Group Meetings

In addition to the above presentations, the Board undertook to meet with each of the Partner Groups' Executives to engage with them and listen to their suggestions on how the budget process could be improved and what changes they would like to recommend.

The recommendations of the Partner Groups were shared with the District Leadership Team and considered when developing the proposed Preliminary Budget for 2019-20.

Budget Fund Types

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• Facility Operations & Maintenance	<ul style="list-style-type: none">• Buildings• Fields• Infrastructure• Land Purchases	<ul style="list-style-type: none">• Specific purpose & restrictions on what the funds can be spent on.• Examples:<ul style="list-style-type: none">○ Learning Improvement Fund○ Annual Facilities Grant○ Classroom Enhancement Fund○ Community Link

Section 2a: 2019/20 Operating Budget

Budget Overview

Preparation for the 2019-20 Preliminary Budget begins by utilizing the 2018-19 Amended Budget as the starting point.

The amended budget is initially adjusted to a base budget by removing one-time expenditures. Following that, additional adjustments are made to the base budget for contractual and statutory requirements, forecasted enrolment changes, incremental grant funding, changes to other revenue accounts, including International Education and adjustments for prior-year surplus allocations. The net total of these adjustments then determines the funds available for budget enhancements including staffing increments for the 2019-20 Preliminary Budget.

A significant amount of funding for the budget is provided through the Classroom Enhancement Fund, recorded as a special purpose fund. Details of this budget can be found on page [24](#).

Following are the detailed assumptions that have been incorporated into the proposed 2019-20 preliminary budget.

Enrolment

Enrolment numbers have been adjusted to reflect the School District's February 15th submission of "Estimated Enrolments for 2019-20" to the Ministry of Education. This results in a projected increase of 71.75 FTE students due to a larger intake of newly enrolled kindergarten cohort and net student migration throughout the School District from those graduating or migrating out of the school district. Students with special needs, English language learners and aboriginal education students are also expected to increase over the 2018-19 school year.

Chart 1 - Enrolment Summary

	2017/18	2018/19	2019/20E	Variance
K-12 Standard (Regular) Schools FTE	29,987.6875	30,001.63	30,090.00	88.37
Continuing Education FTE	6.2500	6.13	7.00	0.87
Alternate Schools FTE	399.2500	429.00	420.00	(9.00)
Distributed Learning FTE	216.0000	218.50	210.00	(8.50)
Total Estimated School-Age Enrolment	30,609.1875	30,655.25	30,727.00	71.75

Revenues

Grant revenues have been adjusted to reflect the projected enrolment numbers submitted to the Ministry of Education on February 15th as summarized in Chart 1 above. Details of grant revenue by student category are detailed in Appendix B attached. Appendix C provides an overview of the current Provincial grant funding formula.

Chart 2 - Grant Revenue Summary				
	Actual	Amended Budget	Preliminary Budget	Variance
	2017-18	2018-19	2019-20	
Basic Allocation - Standard Schools	218,940,106	222,702,062	224,712,120	2,010,058
Basic Allocation – Continuing Education	45,631	45,466	52,276	6,810
Basic Allocation - Alternate Schools	2,914,924	3,184,467	3,136,560	(47,907)
Basic Allocation - Distributed Learning	1,317,600	1,332,850	1,281,000	(51,850)
Home School students	2,750	3,500	3,500	-
Course Challenges	40,812	64,264	64,541	277
Unique Student Needs				-
Level 1 Special Needs	1,106,060	931,200	1,017,600	86,400
Level 2 Special Needs	17,849,520	20,292,400	23,230,000	2,937,600
Level 3 Special Needs	3,219,350	3,155,600	3,280,000	124,400
English Language Learning (ELL)	6,376,545	6,727,960	7,176,000	448,040
Aboriginal Education	1,553,640	1,589,160	1,885,000	295,840
Adult Education	236,673	246,247	238,650	(7,597)
Vulnerable Students	1,076,932	1,076,932	1,076,932	-
Teacher Salary Differential	6,477,767	7,195,732	7,211,974	16,242
Unique Geographic Factors	1,828,010	1,905,469	2,009,253	103,784
Supplement for Education Plan	611,829	612,184	613,105	921
Summer Learning	1,722,845	1,802,869	1,860,916	58,047
February Grant Funding	1,786,675	2,335,714	2,316,831	(18,883)
May Grant Funding	530,364	904,611	904,179	(432)
Subtotal	267,638,033	276,108,687	282,070,437	5,961,750
Funding for Graduated Adults	1,347,158	1,302,367	1,302,367	-
Pay Equity	706,353	706,353	706,353	-
Other Provincial Grants	740,170	540,775	2,936,668	2,395,893
Total Operating Grants	270,431,714	278,658,182	287,015,825	8,357,643

Total grants increased by \$8.4m. The first portion of the operating grant increased by \$5.9m which is comprised of \$2.7m for enrollment related increases in School Age and Special Needs students and the balance of \$3.2m is for labour settlement funding and increase in Elementary teacher prep time. However, due to a change in the funding allocation formula by the ministry, funds were shifted towards Unique Student and Unique Geographic supplemental funds instead of increasing the Basic per student grant. This resulted in our school district losing \$913k in grant funding to other districts in smaller communities, having lower enrollment and a higher number of Indigenous students. This is contrary to what was communicated earlier by the Ministry that no changes were to be made to the funding formula in the 2019/20 school year. The remaining \$2.4m increase is the grant provided to help the school district offset the new 1.95% Employer Health Tax that went into effect January 1, 2019. However, this funding allocation is approximately \$300,000 less than required for full reimbursement as previously indicated.

Other Revenues

International Education revenues have been adjusted to a base level of 1,650 students; which stabilizes teacher staffing and avoids any IE funded teacher layoffs. This is consistent with our measured approach to not create a financial reliance on IE revenues until they are realized, and then to utilize any incremental net funds in subsequent years as part of the multi-year sustainability policy adopted by the Board.

Investment revenues have been incremented to reflect the rise in interest rates and investment of available cash with the Ministry's central deposit pooling program to maximize interest earnings throughout the year.

Staffing Levels

Given the concern regarding potential teacher shortages, it remains our intention for a third consecutive year to **not** lay off any teachers. We believe this is an appropriate risk to undertake in order to maximize retention of our teacher staffing and continue to provide a wide range of educational offerings to our students while producing a balanced budget without sacrificing ongoing stability and sustainability. This is likely to be the last year in which this can be accomplished.

Teacher Staffing:

Change: +13.56 FTE

- 2.40 FTE Teachers added to provide additional support for the middle school gifted program, for level B assessments and work experience programs.
- 5.5 FTE teachers added related to Increase in Elementary Teachers preparation time.
- 1.8 FTE teachers added to support incremental Administrative teaching time reductions.
- One IEP support teacher is being changed to a Coordinator position.
- 0.14 FTE reduction in COL/CLC staffing (online blended math temporary position)
- 4.0 FTE teacher positions added for projected student enrolment growth

Support Staff:

Change: +0.50 FTE

- Maintenance will add 0.50 FTE trades position.

Education Assistants and Youth Workers:

Change: +36.00 FTE

- 10 FTE Education Assistant positions are being added
- 26 FTE Learning Inclusion Support Worker positions are being added
- 1.0 FTE Work Experience support staff position added.
- 2 temporary aboriginal education youth worker positions are being converted into one permanent position.

Principals & Vice Principals:

Change: No Change in FTE

Administrative time is increased as an outcome of adding 1.8 FTE teachers specific to this purpose.

Other Professionals:

Change: No change in FTE.

Chart 3 - Operating Staffing Summary

Staffing Category	Preliminary 2018/19 Staffing	Amended 2018/19 Staffing	Preliminary 2019/20 Staffing	Variance		Comment
Teachers (excluding International Ed)	1585.51	1583.55	1592.91	9.36		Increase in Student Enrolment = +4.40; increase in prep time = +5.50;
Teachers - (Interim staffing)	15.00	20.00	21.80	1.80		incremental time for Admin relief
Student Services Teachers - (SLP/TL/Psychologist)	53.80	55.00	57.40	2.40		Support for Middle Schools, work experience and level B assessments
Teachers - International Ed	132.00	132.00	132.00	0.00		Maintain without layoff given strength of program
Support Staff	512.59	546.59	547.09	0.50		Maintenance staff added position.
Educational Assistants & Youth Workers	480.64	508.94	518.94	10.00		Added 10 EA's and 1.0 work experience support worker. Converted 2 temporary YW into 1.0 FTE position
Learning Inclusion Support Workers	0.00	0.00	26.00	26.00		New supports for students with special needs.
Administration	113.50	124.50	124.50	0.00		Admin relief time supported through incremental teachers
Other Professionals	64.50	69.00	69.00	0.00		No additional positions added
Total	2,957.54	3,039.58	3,089.64	50.06		

Expenses

Salaries

All salary lines have been adjusted to take into consideration the incremental staffing additions as detailed above. In addition, salary lines have been adjusted as follows:

Teacher salaries have been incremented as follows:

- May 1, 2019 - Economic Stability Dividend of 0.75%,
- May 1, 2019 – General Wage Increase of 1.0%.
- Step increments on Teacher Salary Grid

The two wage increases are based upon the current collective Agreement. Subsequent wage increases will be determined subject to agreement through the bargaining process. Historically, the Ministry of Education has funded negotiated wage increases, however, as mentioned earlier, for 2019/20, they changed the funding formula by redistributing wage increments through supplemental funding. The result was a loss of \$900k in funding for our school district.

Education Assistant and Support staff wages have been increased as follows:

- May 1, 2019 - Economic Stability Dividend of 0.75%,
- May 1, 2019 – General Wage Increase of 1.0%.

The two wage increases are based upon the current collective agreement. While a wage increase for July 1, 2019 is based upon the agreed Provincial Framework for Support Staff Unions, it remains conditional upon the inclusion of the framework into local collective agreements. As such, it has not been included in the current preliminary budget proposal. Historically, the Ministry of Education has funded negotiated wage increases but as mentioned above, the Ministry changed the funding allocation towards supplemental funding resulting in our school district losing funding to other districts.

Exempt staff (Principals, Vice Principals and other management professionals) salary increases are not funded by the Ministry of Education. The School District has set aside funds to allow for a wage increase equal to the next step on their respective salary grid (approximately 3.0%) and the expected application of the Economic Stability Dividend as awarded to teachers and support staff.

Substitute expenditure budget will be incremented by a net of 1.3% - consistent with the wage increases for the respective wage increases (1.75%) as detailed above and adjusted for one-time costs incurred in the current year. In anticipation of the continued tight supply of teachers teaching on call (TTOC), some TTOC's will be hired on a continuing contract basis, especially those with specialized degrees. There are currently 12 TTOC's engaged in this capacity and it is expected that the outcome of staffing for 2019/20 will result in similar levels.

Benefits

All benefit lines have been adjusted to reflect changes in staffing levels and expected benefit rate increases (those that are wage sensitive).

CPP: Beginning January 1, 2019, employers and employees will each see their CPP contribution rates increase by 1% during a phased in approach over the next 5 years. The rate will increase from the current level of 4.95% to 5.95% by 2023, up to the year's maximum pensionable earnings (YMPE). At the same

time, the YMPE is projected to rise from \$55,900 to \$72,500 by 2025. The maximum pensionable earnings for 2019 is \$57,400 (2018 was \$55,900). The contribution rate increased by 0.15% in 2019 with the new rate being 5.10% for each, employer and employee with the maximum being \$2,749 for each party. The maximum for 2018 was \$2,594. The incremental cost associated with the contribution rate increase is estimated at \$300,000 in addition to normal annual increases of approximately \$250,000.

Employment Insurance rates are determined on a calendar year basis. Rate levels are known for the first six months of the school year to December 31, 2019 and have been increased by 2% for the second six months consistent with normal historical trend. This is estimated at \$120,000.

Medical Service Plan (MSP) rates are determined on a calendar year basis. Effective January 1, 2018, as announced by the Provincial Government, MSP premiums were reduced by 50% and will be eliminated effective January 1, 2020. This will produce savings of approximately \$465,000.

Employer Health Tax (EHT) - The Government introduced this new tax effective January 1, 2019 at a rate of 1.95% of payroll. A portion of this was budgeted in the 2018-19 and the remaining portion is being added in the 2019-20 school year bringing the total budget for EHT to \$4.2 million. The ministry will be providing a grant of \$2.4 million beginning in the 2019-20 school year to offset the incremental costs incurred by school districts between the implementation of the new tax and elimination of the MSP premiums. The provided grant falls \$300,000 short of full reimbursement as previous indicated by the Ministry of Finance.

Work Safe Premium expenditures are known for the first six months of the school year to December 31, 2019 and have been increased by 2% for the second six months or approximately \$100,000.

Maternity/Paternity Leave Benefits: In 2018 the Federal Government announced extended leave benefits from 12 months to 18 months. The additional incurred expense (for both pension and health and dental benefits) is dependent on the number of individuals (which is variable) that take this benefit and further the number of individuals that take the maximum allowable time off. We budgeted \$350,000 in 2018/19 and have incremented this expense by a further \$150,000 for 2019/20.

Health and Dental Premiums: Known premium increases for employees' health and dental coverage has been incorporated into the budget. The budget associated with these expenses has been incremented by approximately \$1,300,000. The usage of these benefits has increased and costs of providing these benefits is significantly outpacing inflation.

Teacher Pension Plan (TPP) – As previously announced, effective January 1, 2019, the employer TPP contribution rate was reduced by 1.93% to 11.30%. This will result in an annual expense reduction of approximately \$2.8 million. Two thirds of this reduction was captured in the 2018/19 school year with the remainder adjusted in the 2019/20 budget.

Non-Teaching Pension Plan (NTPP) – The NTPP requires ongoing regulatory required solvency payments of \$2.2 million per year and further interest contributions of \$1.3 million associated with the Letter of Credit to cover \$48.8 million of pre-2016 solvency deficiency obligations and pre-transfer of NTPP to MPP active employees. Both expenses will continue until a new actuarial valuation is completed and filed with the regulator, which is expected to occur in September 2019. There remain some additional requirements to support incremental residual costs associated with the **MPP transition** – the 'no worse off' calculation and improved indexing for NTPP retirees who will remain in the plan.

All other benefit costs have been held at the 2018-19 budget levels.

Other Expenses

Inflationary adjustments to service and supply accounts are generally not incorporated into the budget as grant funding does not provide for inflationary consideration. A small contingency fund of \$500,000 is held in the Supplies budget to address emergent issues should they arise during the year.

After the removal of one-time budgeted expenses from the 2018/19 school year, service and supply expense budgets for 2019/20 are anticipated to remain consistent with the previous year.

Utilities expenses have remained relatively consistent over the past few years and combined with implementation of energy efficiency initiatives in schools, has resulted in reducing energy costs, such that no budget increases are required for 2019/20.

Accumulated Surplus (Reserve) Policy and Utilization

The School Board has established an Accumulated Operating Surplus (Reserve) Policy as part of its multi-year financial approach for stable and sustainable organization health;

To the extent that there is an excess of revenues to expenditures (operating surplus) in any fiscal year that:

- a) Any surplus in excess of 2% of total operating revenues will be set aside into an unallocated fund for subsequent use as determined by the Board;*
- b) 25% of the balance of the operating surplus funds be directed to one-time opportunities primarily associated with technology, educational initiatives and deferred maintenance of facilities; and*
- c) 75% of the balance of operating surplus funds be allocated equally over the subsequent three fiscal years, but no more than the 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.*
- d) This Policy will be reviewed annually by the Board.*

This approach provides for consistent financial allocations for staffing as achieved in previous years while reducing volatility by smoothing peak surplus years. An unallocated reserve provides a funding source for onetime initiatives and/or a further buffer and support for those years in which available surplus is less than the amount required to maintain staffing stability. This will be crucial as changes in the funding formula unfold.

In accordance with this motion, the previous years accumulated surplus in the amount of \$4.14 million will be deployed in the 2019/20 preliminary budget sourced as follows:

- \$1.39 million of accumulated surplus resulting from the 2015-16 year has been utilized in the 2019-20 budget. This is the final installment from this year.
- \$1.95 million of accumulated surplus resulting from the 2016/17 year has been utilized in the 2019-20 budget. This is the final installment from this year.
- \$800,000 of accumulated surplus resulting from the 2017/18 year has been utilized in the 2019-20 budget. This is the second of three installments from this year.

Chart 4 - Operating Budget Summary

(in ,000's)	2018/2019 Amended Budget	2019/2020 Preliminary Budget	Variance
Operating Grant	278,658	287,016	8,358
Other Fees and Revenue	37,978	35,286	(2,692)
Total - Revenue	316,636	322,302	5,666
Salaries - Teachers	145,060	149,826	4,766
Salaries - Administrators	15,171	15,690	519
Salaries - Educational Assistants	18,234	20,618	2,384
Salaries - Support Staff	25,205	25,662	457
Salaries - Other Professionals	6,633	6,976	343
Salaries - Substitutes	9,264	9,344	80
Benefits	61,845	64,334	2,490
Total - Salaries and Benefits	281,412	292,450	11,038
Services	9,163	9,100	(64)
Student Transportation	431	431	
Supplies	12,750	11,966	(783)
Utilities	5,254	5,254	
Insurance/ Leases/Fees/Prof Development	6,256	6,242	(15)
Total - Supplies and Services	33,855	32,993	(862)
Total - Expenses	315,267	325,444	10,177
Total - Current Period Surplus/ (Deficit)	1,369	(3,142)	(4,511)
Transfer to Capital Account	(5,000)	0	5,000
Tangible Assets Purchased	(1,006)	(1,000)	6
Accumulated Surplus - 2015/16	1,393	1,393	
Accumulated Surplus - 2016/17	1,949	1,949	
Accumulated Surplus - 2017/18	1,295	800	(495)
Accumulated Surplus - 2018/19 <i>(estimated)</i>			
Budgeted Surplus (Deficit)	-	-	-

Note that this operating summary does not incorporate the classroom enhancement funding.

Section 2b: 2019/20 Special Purpose Funds

Special Purpose Funds consist of targeted funding allocated to school districts for a specific purpose. The annual funding received varies from year to year and Ministry of Education funding is not always confirmed at the time that the Preliminary Budget is prepared.

Pursuant to Sections 156(4) and (5) of the School Act, each special purpose fund must be accounted for in accordance with the terms of that special purpose fund. Treasury Board Restricted Contribution Regulation 198/2011, issued in November 2011, defines a restricted contribution as “a contribution that is subject to a legislative or contractual stipulation or restriction as to its use other than a contribution or part of a contribution that is of, or for the purpose of acquiring, land.”

The following grants meet the definition of a restricted contribution per Treasury Board Regulation 198/2011:

Special Purpose Fund Description	Amended Budget	Preliminary Budget	Change
Annual Facilities Operating Grant (AFG)	1,139,623	1,139,623	
Official Languages Education in French Programs (OLEP)	278,820	278,820	-
CommunityLINK	1,460,778	1,474,821	14,043
Strong Start	416,000	416,000	-
Ready Set Learn	112,700	112,700	-
Learning Improvement Fund (LIF)	1,054,313	1,058,481	-
Classroom Enhancement Fund (CEF)	27,571,239	28,353,287	782,048
Contractual Reserves	254,874	275,625	20,751
School Generated Funds	12,900,000	12,900,000	-
Provincial Resource Program -Day Treatment	132,930	142,188	9,258
Sick Leave Trust	240,676	295,200	54,524
Settlement Workers	732,092	750,000	17,908
Language Instruction for Newcomers (ELSA/LINC)	1,982,353	2,000,000	17,647
Apprenticeship Program	200,000	200,000	-
Others (Scholarships, Interest, Staff Development)	459,864	487,499	(27,635)
Total	48,936,262	49,884,244	874,501

Operating and capital funding cannot be transferred to special purpose funds.

Annual Facility Grant (AFG)

The Annual Facility Grant was established to account for Ministry of Education grants and expenditures relating to annual facility maintenance projects. The AFG allocation is comprised of both a special purpose fund allocation and a bylaw capital allocation.

The AFG special purpose funding allocation for the SD43 for 2019/20 is \$1,139,623 after SD43's required contribution toward the Capital Asset Management System. The AFG bylaw capital allocated to the SD43 for 2019/20 is \$4,462,341.

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 conditions;
- 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.

SD43 must provide the Ministry with the 2019/20 AFG project spending plan prior to April 30, 2019. The plan will include a list of the AFG projects and expenditures the district will undertake between April 1, 2019 and March 31, 2020.

Official Language Education Program (OLEP)

The Ministry of Education administers federal funding intended to support incremental costs resulting from offering French as a second official-language instruction in BC. All French funding is to be spent by June 30th of each year. An annual report outlining how the funds were spent and what benefits were derived is required at the end of the fiscal year. In 2018/19, the school district received \$278,820.

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. Additional funding is provided through public donations.

The current funding allocation is insufficient to meet the growing needs of the program which results in some of the expenses to be absorbed in the operating budget. Total Community LINK funding for 2019/20 will be \$1,474,821.

StrongStart

The Ministry of Education funded StrongStart program allows parents to participate with their young children (aged birth to five) in play-based early learning activities, including story time, music and art. This early learning drop-in program helps prepare children for success in kindergarten and is provided at no cost to the families.

The School District currently has 13 StrongStart centres. The total StrongStart funding for 2018/19 was \$416,000. The funding for 2019/20 has not been announced; however, a change in funding is not expected.

Ready Set Learn

The Ready Set Learn funding is provided by the Ministry of Education that 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 2018/19 was \$112,700. The funding for 2019/20 has not been announced; however, a change in funding is not expected.

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 are required to submit a spending plan to the Ministry of Education by October 2019 for approval. To develop the spending plans, district staff work collaboratively with CUPE. In the past these funds have been utilized to create additional Education Assistant (EA) positions and provide additional hours of support to all EA's. For 2019/20, the LIF support staff component is \$1,058,481.

Contractual Reserves

The School District participates in a joint use agreement with Douglas College and the City of Coquitlam at Pinetree Secondary School. The School District holds the reserves for this partnership for facility renewal purposes. A second joint use agreement exists with the City of Coquitlam related to the Centennial field.

Scholarships and Bursaries

Scholarships and bursaries are established and awarded through the generosity of individuals and corporations in our community. The scholarships and bursaries administered by the school district range from memorials to honour the passing of a loved one, to corporations and individuals wanting to give back to the community. The School District administers over 55 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, school store 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.

Day Treatment (Simon Fraser Youth School Program)

This fund represents educational programming services offered to youth receiving intensive structured psychiatric care through the Fraser Health Authority. In 2018/19 we received \$132,930 from the Provincial Government to provide these services. Funding for 2019/20 is expected to remain consistent with prior years.

Staff Development

This grouping of funds consists of a variety of smaller grants to enhance teaching staff development. This includes the ART Starts grant, (resources for teachers and art leadership) and Decoda Literacy programs (resources, training to support community-based literacy and learning).

Sick Leave Trust

This fund represents contributions received from support staff workers and matched by the Board, to provide short term disability benefits to CUPE members who are disabled from employment resulting from illness or injury. The Trust pays for health and dental benefits and NTPP pension payments for these individuals.

Settlement Workers (SWIS)

The SWIS program is a school-based service for new immigrant families to meet their immediate and ongoing settlement needs. Families who have children in the District are connected to schools and community and government organizations. SWIS services include settlement support, culturally sensitive services, workshops and links to various resources. In 2018/19 we received \$732,092 from the Federal Government to provide these services.

English Language Services for Adults (ELSA)

Language Instruction for Newcomers to Canada (LINC)

These two programs are designed to assist the parents of newcomers and refugee children improve their English skills, learn about Canadian society, laws and health care, the job market and other important information to support successful life in Canada. LINC enables our District to help parents connect with the local community, find volunteer work and network with other new Canadians. We provide three free childminding centres for two to five-year old's to be cared for while their parents are in LINC/ELSA classes.

In 2018/19, the school district received \$1,982,353 in grants for both programs from the Federal Government.

Classroom Enhancement Fund

The most significant fund currently classified as a special purpose fund is the 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 (MOA #17) pursuant to Letter of Understanding 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 the Classroom Enhancement Fund (CEF) to address the additional teacher and corresponding overhead costs associated with MOA #17. A summary of the CEF funded staff and dollars is captured in the chart below. The school district is required to record and report on actual costs incurred and the amount allocated may be reduced by the Ministry of Education to reflect actual costs.

Pending additional information for 2019/20, we have initially budgeted CEF staffing at the same level as that incurred in 2018/19 plus compensation increases. CEF overhead funding is initially provided on a notional basis, 90% of the prior year allocation and will be adjusted in the fall once actual enrollment and staffing levels are confirmed. Overhead costs will remain unchanged. Funding for Remedy will be based on actual October 2019 remedies incurred, as was the case in 2018/19.

By mid October, school districts will be required to submit final staffing plans that reflect actual fall staffing. Submissions will be reviewed by ministry staff and the initial allocations will be adjusted accordingly. Close monitoring of implementation will occur throughout the 2019/20 school year.

Adjustments to district allocations may be made once final fall 2019 staffing is known and/or after the 2019/20 school year is finalized. Final 2019/20 allocations will be confirmed at the same time as the operating grant recalculation in December 2019.

The notional 2019/20 CEF allocation for SD43 is \$20.8 million for staffing and \$2.47 million for overhead. Our actual projected costs including salary increments and remedy are summarized in the chart below.

Chart 5 - CEF Staffing and Budget Summary

Description	2017/18 Actual		2018/19 Amended Budget		2019/20 Preliminary Budget		Variance	
	FTE	\$'s	FTE	\$'s	FTE	\$'s	FTE	\$'s
Teachers	181.00	18,724,080	212.50	22,344,233	212.50	23,126,281	-	782,048
TTOC's		616,598		747,974		747,974	-	-
Education Assistants	23.00	1,010,379	33.00	1,541,100	33.00	1,595,039	-	53,938
Administrators	9.00	873,283		503,526		521,149	-	17,623
Other Staffing	3.00	318,476	1.00	162,740	1.00	168,436	-	5,696
Other Expenses		459,908		264,000		186,742	-	(77,258)
Remedy Costs		2,154,619		2,007,666		2,007,666	-	-
Total	216.00	24,157,343	246.50	27,571,239	246.50	28,353,287	-	782,048

Section 2c: 2019/20 Capital Funds

The Capital Fund includes capital expenditures related to land, buildings (purchases and enhancements), computer hardware and software, vehicles and equipment that are funded from Ministry of Education capital grants (bylaw capital, Ministry of Education restricted capital), land capital, local capital, the operating fund, and special purpose funds. Pursuant to Ministerial Order 033/09, an annual deficit may be incurred in the capital fund Statement of Operations for the portion of amortization expense that exceeds revenues from deferred capital contributions. This deficit does not require prior approval from the Minister of Education.

Bylaw Capital

Bylaw Capital represents Ministry of Education capital grants drawn on Certificates of Approval (COA) for capital projects and includes amounts for specific capital projects funded by the Ministry of Education, capital portion of the Annual Facility Grant, carbon neutral capital project funding, playground equipment funding, and other project funding paid through a COA.

Ministry of Education Restricted Capital

Ministry of Education restricted capital represents the Ministry's portion (usually 75%) of the proceeds on disposal of land and buildings, and any bylaw project surpluses on completed projects. The Ministry's permission must be received to spend these funds. The balance in the fund as at June 30, 2018 was \$4.13 million and \$3.5 million of this balance was allocated to fund 30 classroom additions (including portables) for September 2018.

Land Capital

The balance in the Land Capital Reserve Fund is comprised of School Site Acquisition Charges (SSAC), which municipalities collect on behalf of school districts to help school boards pay for future school sites. Municipalities collect these charges for each new residential parcel to be created and new multiple family residential units to be constructed on an existing parcel. The funds may only be used to purchase ministry approved sites for new schools. The balance in the fund at June 30, 2018 was \$6.27 million.

Local Capital Reserve

The Board's Local Capital Reserve is designated for local capital expenditures. The balance in the fund at June 30, 2018 was \$28.1 million with the entire balance restricted for specified projects.

Transfer of Operating Funds

When Capital assets are purchased with operating funds, they must be transferred from the operating fund to the capital fund in order to be properly capitalized and amortized over the life of the asset. This transfer is reflected as an inter-fund transfer between the two operating statements.

Technology Infrastructure

Ongoing renewal of capital costs associated with Technology infrastructure is funded from the operating accounts. \$500,000 has been set aside as a stabilizing provision for fluctuations in major hardware purchases that can occur from one year to another.

Seismic Replacement

Work proceeds on Centennial Secondary with finalization of the NLC space as part of Phase 2. Minnekhada Middle construction is currently underway and replacement of Irvine Elementary has moved into the permitting stage and construction will start shortly. We are currently awaiting an announcement from the Ministry with respect to the replacement of Moody Elementary.

New School Construction

We hope to have Sheffield Elementary announced for the 2019/20 year.

Classroom Additions

This past year, the Board with Ministry of Education approval, moved to fund the installation of 19 portables at various schools and a further 11 classroom conversions for additional September 2018 classroom requirements. This effort was directly related to the implementation of MOA #17 which restored class size and composition language in the teacher collective agreement. Funding for this was sourced from restricted bylaw capital. Funds for future capital projects is insufficient and will probably require the transfer of operating funds for this purpose. There are no plans included in the budget for additional class space for September 2019. However permanent multi-classroom additions are planned as follows;

- **Panorama Heights Elementary:** Four-classroom addition required for increased enrolment. \$2 million funding provided by local capital reserve and preliminary work is ongoing. The Ministry of Education is not expected to announce capital-funding support until mid-2019. Estimated cost is \$6.0 million.
- **Westwood Elementary:** Six-classroom addition needed for increased enrolment. Ministry of Education is not expected to announce capital-funding support until mid-2019. Estimated cost is \$5.4 million.
- **Dr. Charles Best Secondary:** Six-classroom addition required for increased enrolment. Ministry of Education is not expected to announce capital-funding support until mid-2019. Estimated cost is \$6.0 million.
- **Riverside Secondary:** Six-classroom addition required for increased enrolment. Timing of the funding announcement is unknown. Estimated cost is \$4.5 million.

It is likely that the Ministry will require that SD43 contribute local funds for all these classroom additions and/or new school construction.

Annual Facility Grant (AFG)

The Annual Facility Grant is funding provided by the Ministry of Education for designated school capital or maintenance upgrades. \$5.5 million will be provided by the Ministry of Education for 2019/20.

Education Learning Centre

In 2018, after extensive discussion and various staff reports over a 6-year period, the Board of Education approved the development and funding of an Educational Learning Centre (ELC) on the Winslow Centre Campus. The ELC will be a purposefully designed as a multi-use facility. The ELC will house operational departments, student support departments, meeting rooms and other flexible learning spaces. It will include the relocated Board office and the consolidation of functions currently spread out in various facilities throughout the school district. A budget of \$36 million has been approved by the Board, including the restriction of funds in the local capital account for this project. Funding for this project originated with the sale of the Coronation School in 2016 and is augmented by interest income and lease income from closed schools. Supplemental funding from International Education net proceeds is also provided through interfund transfer from the Operating Account to the Local Capital Restricted Reserve account. In 2018/19 this is budgeted at \$5.0 million and in 2019/20 budgeted at \$ 0 (nil) million.

Factors Bearing on School District's Future Financial Stability and Other Significant Matters

There are several factors that could influence the School District's stable and healthy financial situation during the 2019/20 school year and beyond.

In 2017 a risk assessment was completed which identified 29 areas of risk. The Board was provided with an update on the work done to date to mitigate these identified risks, however a number are outside the immediate control of the School District. The operationalization of the accumulated surplus policy does help to soften or reduce some of these risk exposures. Following are several risks that continue to be preeminent.

Organizational Capacity

As we emerged from a focus on debt repayment, elimination of unfunded liabilities (through the closure of the Post Retirement Group Health Benefit Plan for NTPP retirees) and minimize pension plan funding deficiencies (through the transfer of NTPP active members to the Municipal Pension Plan), we have moved to address lagging organizational capacity requirements, especially in leadership and management areas. As noted last year, four of the top five business risks are related to human resources – capacity, recruitment, retention, training, experience, etc. While much of this has been addressed at the managerial and leadership level, the implementation of the restored collective agreement language strains teacher and specialty teacher capacity as the staffing demand exceeds available supply. The increasing number of students with special needs also creates a demand for Education Assistants that exceeds available personnel.

- This budget attempts to mitigate this risk by;
 - Avoiding teacher layoffs for a third year to maximize retention,
 - Expanded number of support positions for students with special needs,
 - A program of training and mentoring at all levels of the organization, and
 - Improved succession planning and staff engagement.

Bargaining 2019

The collective agreements for the CTA and CUPE expire in June 2019. Despite the strong working relationship that the School District has nurtured, Bargaining 2019 remains a significant concern – as it is largely out of local control. Labour disruptions can harm the educational system and can require additional effort for all parties to re-establish potentially damaged relationships. It can also have an impact on student success by disrupting the positive learning culture that currently thrives in our School District.

- We continue to work respectfully with each other with a focus on student success, but also professional learning, mentorship, and success for all.

Grant Funding Model Review

During 2018 the Ministry of Education initiated a review of the current grant funding model that has been in place since 2002. The report of the Funding Model Review Panel was released in late December 2018 under the title of *Improving Equity and Accountability*. While the initial intent was to implement the recommendations for the 2019/20 school year; the significance of the recommendations will delay implementation for at least one year as further consultation occurs. While it is premature to opine on the final funding model, there are several recommendations that could have a significant negative impact on current levels of Ministry funding to our school district. These include:

- Recommendation #1 & #4: Change to the Geographical Supplement
- Recommendation #6: Change to a prevalence model for the funding of some students with special needs (identified Level 3 funded students) which could reduce funding for special needs students.
- Recommendation #9: Elimination of course by course funding
- Recommendation #10: Potential change to Distributed Learning delivery program
- Recommendation #20: Potential limitations on the level and application of operating surplus

With no new funds to be injected into the K-12 Education system, changes to the current Funding Model has the potential to negatively impact our School District as grants are redistributed to other school districts. The outcomes of the Review will not be known until later in the school year and will impact the 2020/21 budget – albeit we have realized a \$900,000 impact in the 2019/20 budget despite assurances to the contrary.

- Despite recommendation #20, retaining an adequate restricted accumulated surplus can assist in mitigating any negative funding outcome and provide the opportunity to respond in a measured and systemic approach.

Funding Adequacy: Restored Teacher Collective Agreement Language

BCPSEA and BCTF reached an agreement in early 2017 on restored language arising from the Supreme Court of Canada ruling in November 2016. The restoration has been categorized into 4 areas:

- Non-Enrolling Teacher Staffing ratios;
- Class Size Provisions;
- Class Composition Provisions; and
- Process and Ancillary Language.

Funding to fulfill the Agreement is provided through the Classroom Enhancement Fund (CEF). As discussed above, the timing and the funding level is not fully known or confirmed by the Ministry of Education until after teacher staffing is appointed into position. This creates a significant financial risk to the School District. SD43 experienced this risk in June 2018, when the Ministry of Education withdrew \$793,000 two weeks before the end of the school year and thus underfunded MOA#17 'best effort' requirements.

Further our submission for the 2018/19 school year specific to 'overhead' costs to administer the MOA provision and to address associated increased support for impacted students for special needs was reduced by approximately \$800,000. SD43 was required to absorb these unfunded costs into the operating budget.

A third issue relates to timely and sustainable funding from the Ministry of Education to create the required classroom spaces. In the 2017/18 school year, the Ministry provided \$1.2 million for 38 new classroom spaces. No funds were forthcoming in 2018/19 which resulted in the Board having to commit up to \$5.2 million of operating and capital funds to fulfill best effort requirements. Local capital funds are insufficient to support this level of capital outlay in subsequent years.

Delays between identified needs and required funding add to uncertainty and place stress on the School District's capacity to fulfill requirements.

Grant funding adequacy to meet the best efforts requirements of MOA#17 remains an elevated risk. With reduced capital funding reserves, operating funds will be required to meet MOA#17 best effort obligations. This removes funds from the classroom.

- This issue has been identified in the *Report of the Funding Model Review Panel* (Recommendation #22). To further mitigate this risk, adequacy of an accumulated surplus policy provides funding resources for capital requirements, but at the expense of student education.

Funding Adequacy: Inflation and Cost Pressures

Grant funding increases are currently provided (until the 2019/20 school year) for collective agreement wage and salary increases, however, funding increases are not provided for inflationary costs, including benefits, or wage increases for non-collective agreement staff. In the *Report of the Funding Model Review Panel* this issue was raised (Recommendation #18).

- As part of the budget process, SD43 takes into consideration statutory and other like requirements as a priority before addressing other cost pressure elements. With 90% of the budget in staffing and related benefit costs, any funding shortfall would likely result in reduced staffing levels.

International Education

The School District is heavily reliant on International Education programs to provide a significant source of additional revenue funding to reduce the gap on grant funding shortfalls. In recent years, the Board has moved to adopt best practices in this area which requires the School District to realize the net income from these programs (and especially 2nd semester enrolment) before deploying these funds into educational services for the benefit of all students in the school district. Recent geopolitical events and escalating economic variables have heightened our sensitivities. International Education and the associated summer programs are an important stabilizing financial influence on the School District.

- The current policy on the deployment of accumulated surplus funds helps to mitigate adverse events and contributes to the sustainable outlook and financial risk mitigation.

Facilities – Capital Funds

As we have noted in previous reports, tackling system stresses to address increased demand for enrolment space in elementary schools, especially in the northeast sector of the School District and municipal urban core, requires intensive forward-looking capital planning. In some situations, this involves the advancement of local capital funds to mitigate the risk of school overcrowding and student and staff safety. Additionally, the requirement to comply with collective agreement restored language places an increased burden and demand on class space. Unrestricted local capital is essentially nil ('0') leaving the inability to fund new classroom additions, portable placements or further classroom conversions until the Ministry of Education provides the commitment to fund facility requirements.

- Significant underfunding of capital for new and replacement school facilities creates a requirement to redirect funds out of the classroom to meet this requirement.

Continued advocacy for adequate capital funding and the potential to dispose of excess assets provides the ability to enhance and augment available provincial funding for facility requirements.

The need to provide for an adequate surplus to address this risk is critical. (Recommendation #20 & 22 of the *Report of the Funding Model Review Panel*).

Technology and Business System Requirements

The demand for technology hardware, software, and system utilization continues at a rapid pace. Providing the required services and ensuring that information is secure and protected necessitates increased financial resources. Technology in support of education will allow us to implement the paradigm shift and transformational education required to be at the forefront and on the cutting-edge in the 21st-century. Technology in support of the framework for enhancing student learning and more real-time reporting on student progress is a crucial undertaking. MyEdBC student administration system requires enhancements in order to meet the ongoing needs for improved data and reporting. System security remains a high concern. While a multi-year plan has been developed for some aspects of School District requirements, additional resources will need to continue to be directed into this area.

Sustainable technology funding is lacking while at the same time, usage of technology as an education delivery tool continues to grow.

- Creating financial certainty will facilitate a funding source to develop a level of technology funding that is sustainable and providing one-time funds to invest in business systems. This is dependent on the outcome of the funding model review and grant funding adequacy.
- Our business systems (human resources, payroll, and finance) are dated and require a significant resource emphasis to meet current and future requirements. SD43 staff is in the early stages of addressing this multi-year project to refresh this shared system.

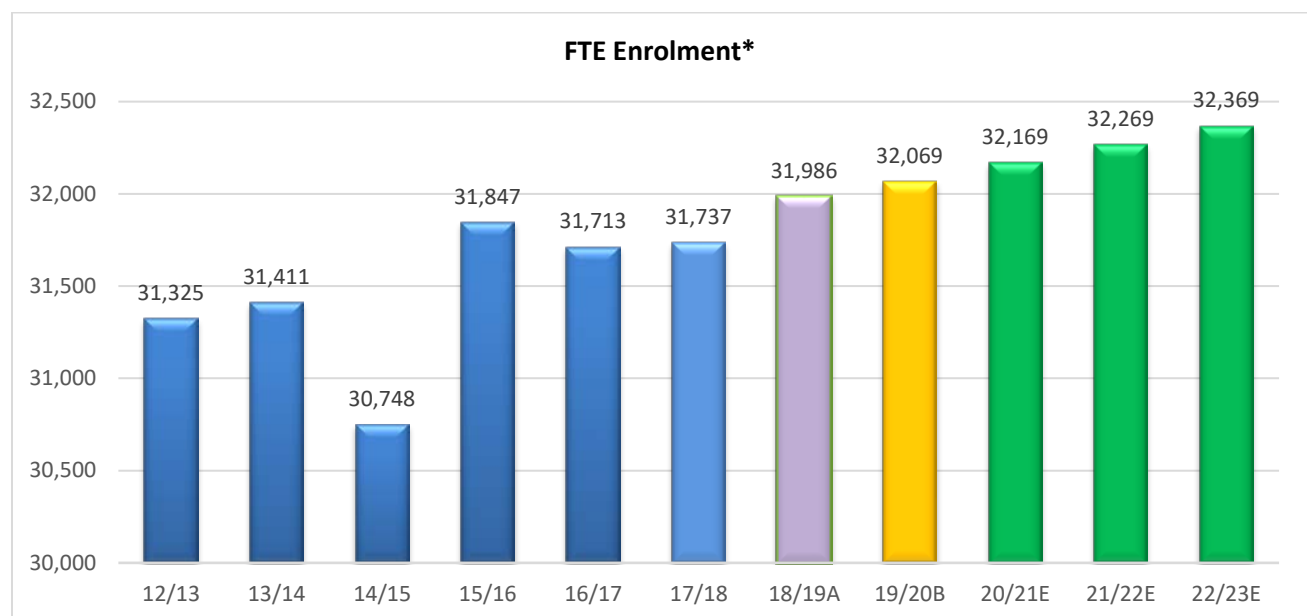
Section 3: Multi-Year Operating Financial Forecast

Assumptions and Charts

Following is the supporting criteria to document the assumptions being utilized in this multi-year plan forecast. It should be noted that the Report of the Funding Model Review Panel provided 22 recommendations, which if implemented, has the potential to significantly impact the underlying assumptions; especially as it relates to grant funding and associated staffing linkage. This multi-year operating financial forecast makes no assumptions around changes to the funding formula that might occur.

1. Enrolment

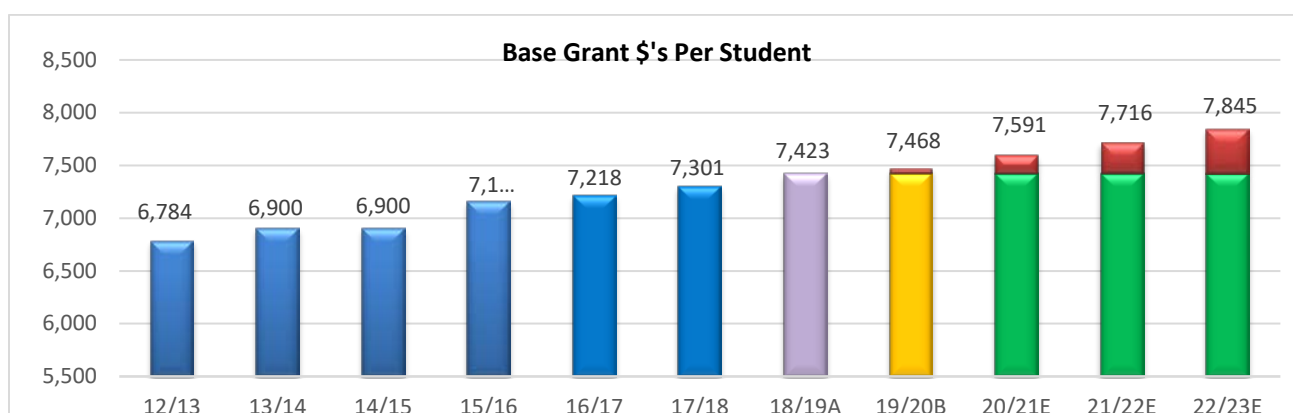
- Enrolment growth will continue in a similar trend to that of the past few years, with a slight acceleration.
 - a) Given the trend of the past few years, enrolment growth has been reasonably consistent, within a narrow and relatively predictable range. There are no definitive signs to support a changing of this trend.
 - b) While growth does appear to be occurring at the elementary grades, this is offset by declining enrolment at the upper grades, keeping enrolment relatively stable at a slight growth rate.
 - c) Information provided by the Ministry of Education, an independent source of demographic information, and SD43 internal resources suggested several years ago, that modest enrolment declines would moderate into modest increases. This appears to have occurred with the September 2015 enrolment.
 - d) All data indicators continue to point to continued student enrolment growth over the short to medium term.



*Total School-Age and Adult Funded FTE Enrolment

2. Student Enrolment Grant Revenues

- Per student grant funding will likely only increase to cover negotiated wage settlement increases.
 - a) There are no indications that per student funding will increase at this time and is forecasted to remain level at \$7,423 per full time student as determined on the base year of 2018/19.
 - The exception is related to funding for labour settlements arising from the 2014 negotiated increases taking place on May 1st, 2019 and expected settlements based on the negotiated Provincial Bargaining Framework recently negotiated with Support Unions (excluding Teachers). The incremental differential is noted in the chart below for the projected years.
 - b) In keeping with overall grant funding, the assumption is that there is likely no major changes in funding for unique geographical or unique student needs.
 - c) While the funding formula is currently under review, it is not known what changes will be made. It is assumed that any changes, once implemented, will occur over a period of time. As a result, funding for all categories is projected to continue as currently known for the next three years.



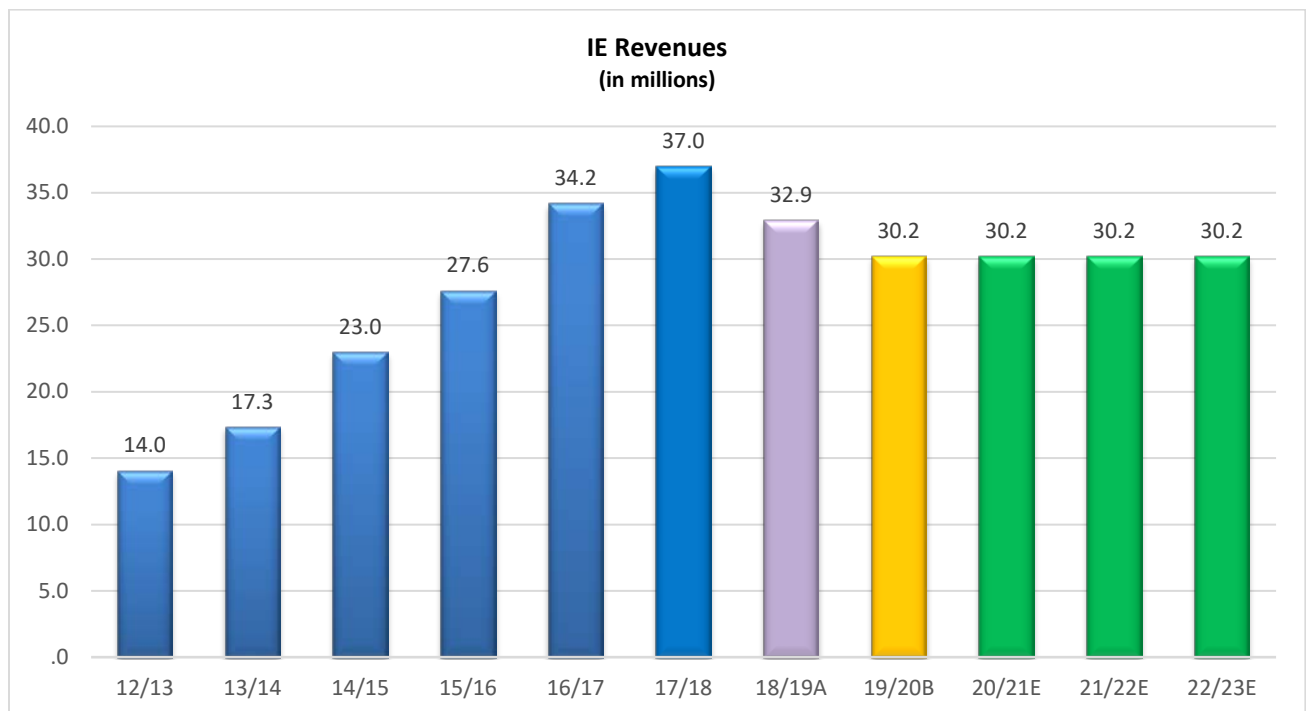
The next chart provides additional details on the alignment of forecast students and estimated per student funding,

	Forecast 2020/2021	Forecast 2021/2022	Forecast 2022/2023	Forecast 2020/2021	Forecast 2021/2022	Forecast 2022/2023
Summary of Estimated Operating Grant Funding	FTE Student	FTE Student	FTE Student	Funding	Funding	Funding
Basic Allocation - Standard Schools	30,200.0000	30,300.0000	30,400.0000	7,591	7,716	7,845
Basic Allocation - Continuing Education	7.0000	7.0000	7.0000	7,591	7,716	7,845
Basic Allocation - Alternate Schools	420.0000	420.0000	420.0000	7,591	7,716	7,845
Basic Allocation - Distributed Learning	210.0000	210.0000	210.0000	6,100	6,100	6,100
Home School students (Headcount)	13	13	13	250	250	250
Course Challenges (Number of)	195	195	195	234	235	236
Supplement for Unique Student Needs - Total						
Level 1 Special Needs	25	25	25	43,268	43,983	44,714
Level 2 Special Needs	1,175	1,200	1,225	21,634	21,992	22,357
Level 3 Special Needs	320	320	320	10,817	10,996	11,178
English Language Learning (ELL)	4,900	5,000	5,100	1,518	1,543	1,569
Aboriginal Education	1,300	1,300	1,300	1,470	1,490	1,510
Adult Education	50.0000	50.0000	50.0000	4,851	4,932	5,013

3. International Education Revenue

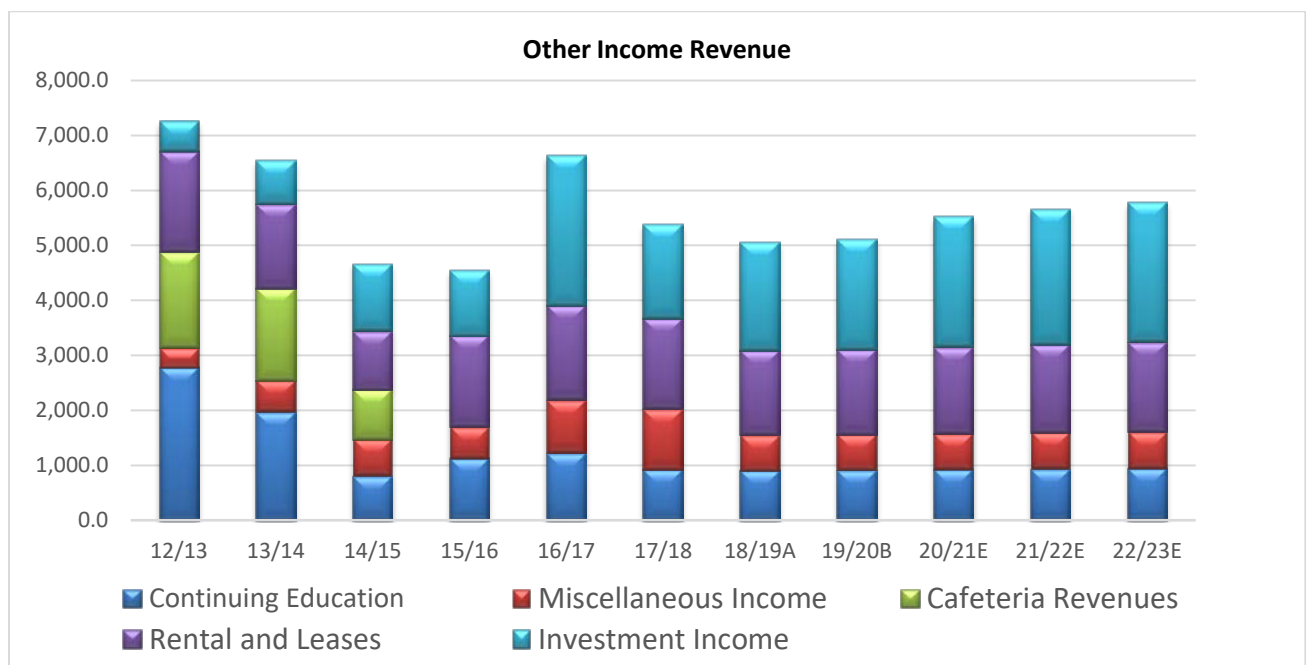
The International Education program enrolment only utilizes space in classrooms that would otherwise go unused by students who reside within the boundaries of the Coquitlam School District. This primarily occurs at middle and secondary schools.

- Given local enrolment growth, it is likely that IE enrolment has or will peak in the short term.
- International Education revenues will increase by \$1,500 per enrolled student effective with the 2019/20. This is a recognition of the international demand for the high-level educational programs offered through the Coquitlam School District.
- IE enrolment and related revenues are reset each year to a base student enrolment level. 2nd Semester enrolment and related revenues are not recognized until the count is confirmed and all tuition fees are paid.



4. Other Income

- Funding for Adult Learners under the Continuing Education programs has moved to being supported by grant funding from the Ministry of Education. This will result in a realization of a decrease in paid courses.
- Rental and Lease revenues will continue to grow at rates slightly above inflation.
 - School District Cafeteria operations were moved to a third-party service provider in 2015-16 on a revenue sharing basis. The school districts portion of revenues from these operations is recorded under rental and lease revenues.
 - Rental revenues generated from rental of school district facilities to community users continues to be in demand and is expected to remain strong.
- Investment Income will sustain moderate increases as a focus on maximizing investment income continues combined with increases in interest rates.
 - Funds available for investments are expected to increase as liabilities generally increase. Especially those provisions related to employee future benefits.
- Miscellaneous Income will see increases in line with inflation expectations.



5. Staffing

- Staffing levels are expected to increase in correlation to growth in student enrolment and students with special needs. While most staffing changes are related to enrolment, changes in demographics can effect teacher/student requirements.
- Staffing changes have been identified for the 2019/20 school year to address new curriculum requirements, elementary preparation time and enrolment growth.
- Additional staffing has been identified in each of the three projected years to address new school requirements – administration and support staff.
- Other staffing improvements may occur if other sustainable funding sources are identified.

Staffing Chart – Total FTE – Operating

	12/13	13/14	14/15	15/16	16/17	17/18	18/19A	19/20B	20/21E	21/22E	22/23E
Teachers	1,822.00	1,744.09	1,679.39	1,722.59	1,763.17	1,776.27	1,790.55	1,804.11	1,810.22	1,815.78	1,821.33
P/VP	115.50	110.50	109.10	110.50	113.50	116.50	124.50	124.50	125.50	126.50	127.50
Education Assistant	369.44	346.74	332.21	401.46	417.27	451.46	508.94	543.94	554.34	564.34	574.34
Support Staff	543.53	515.03	498.95	496.59	500.61	510.11	546.59	548.09	548.09	548.09	548.09
Other Prof	39.00	44.00	44.60	47.00	52.60	62.00	69.00	69.00	69.00	69.00	69.00
Total	2,889.47	2,760.36	2,664.25	2,778.14	2,847.15	2,916.34	3,039.58	3,089.64	3,107.15	3,123.71	3,140.26

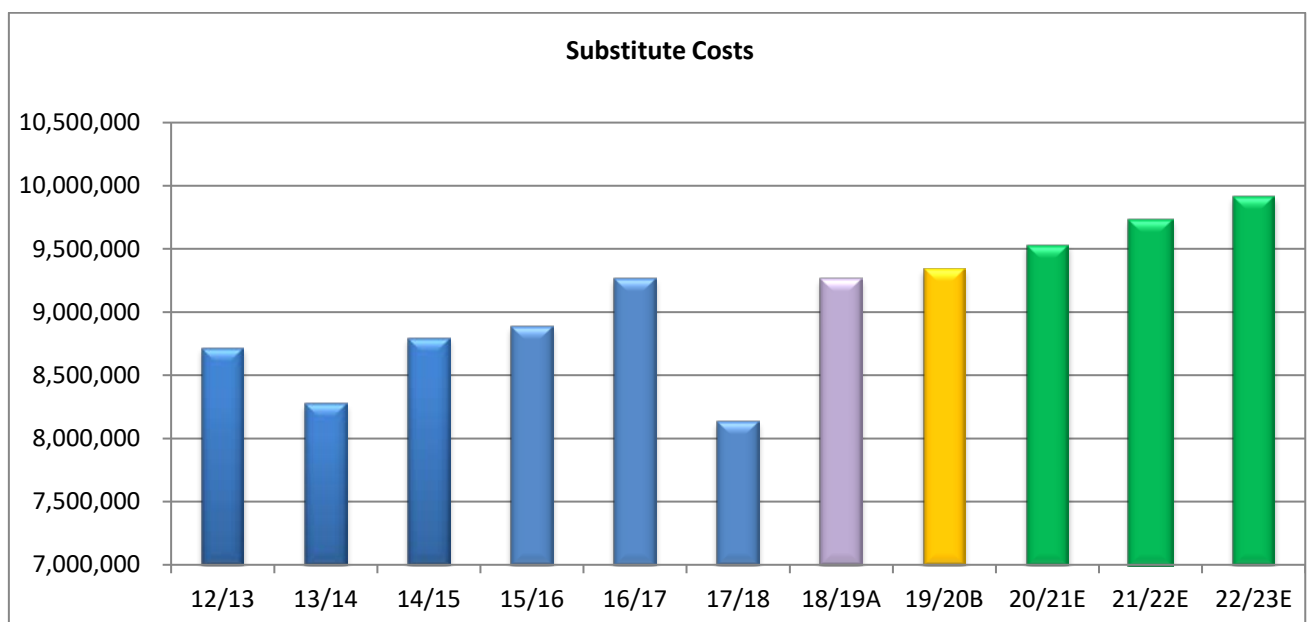
Staffing Chart – Year over Year Changes in Total FTE – Operating

	12/13	13/14	14/15	15/16	16/17	17/18	18/19A	19/20B	20/21E	21/22E	22/23E
Teachers	27.33	(77.91)	(64.70)	43.20	40.58	13.10	14.28	13.56	6.11	5.56	5.56
P/VP	5.00	(5.00)	(1.40)	1.40	3.00	3.00	8.00	-	1.00	1.00	1.00
Education Assistant	(11.35)	(22.70)	(14.53)	69.25	15.81	34.19	57.48	35.00	10.40	10.00	10.00
Support Staff	14.22	(28.50)	(16.08)	(2.36)	4.02	9.50	36.48	1.50	-	-	-
Other Prof	-	5.00	0.60	2.40	5.60	9.40	7.00	-	-	-	-
Total	35.20	(129.11)	(96.11)	113.89	69.01	69.19	123.24	50.06	17.51	16.56	16.56

6. Salary Expenses

Teacher salaries will increase consistent with 2014 labour settlement agreements (for 2018/19) and increases negotiated recently under the Provincial Bargaining Framework for Support Unions (excluding Teachers).

- The increase in teacher salaries is assumed to increase annually at a 2%, plus adjustments based upon years of service as they move through the 10-step salary grid.
- Other Professionals and Principal & Vice Principal salaries will be annually incremented by levels similar to those attained under labour settlement agreements.
- Educational Assistants and Support Staff will have salary increases consistent with the Provincial Framework agreed to in 2018. i.e. 2% annually.
- Substitute Costs are assumed to continue the historic trend. Note strike related years (2013/14, & 2014/15) moderated increases, and the implementation of restored class size and class composition (MOA#17) depleted TTOC staff availability in 2017/18. We have seen a restoration of TTOC staffing in the current 2018/19 year and expect this to continue for future years.



Expenses – Benefits

- Benefit expenses will increase at an overall rate of 1.75% annually. This is comprised of rate increases as follows;

- a) **CPP** – annual increases averaged 2.75% over the past 5 years. Beginning Jan. 1, 2019, employers and employees will see their respective CPP contributions increase from the current level of 4.95% to 5.95% by 2023, for a total of 11.9% up to the year's maximum pensionable earnings (YMPE). At the same time, the YMPE is projected to rise from \$55,900 to \$72,500 by 2025. The Canada Revenue Agency has announced that the maximum pensionable earnings under the Canada Pension Plan for 2019 will be \$57,400, up from \$55,900 in 2018. The actual rate increase for 2019 is 0.15% (with the new rate being 5.10%) and the maximum employer and employee contribution to the CPP for next year will be \$2,749 each. The maximum in 2018 was \$2,594.

The schedule of increases over the next 5 years is as follows;

	Base Rate	2019	2020	2021	2022	2023
New Rate	4.95%	5.10%	5.25%	5.45%	5.70%	5.95%
Increment to Base		0.15%	0.30%	0.50%	0.75%	1.00%

In 2024, a second phase is introduced that creates a secondary contribution rate - YAMPE (Yearly Additional Maximum Pensionable Earnings) for earnings up to 14% over the annual YMPE.

- b) **Employment Insurance** – over the past 5 years, annual increases averaged 4.49%. This is forecast to continue.
- c) **Medical Services Premiums (MSP)** – has been eliminated effective January 1, 2020 and has been replaced with a new tax – the Employer Health Tax (**EHT**). The details of MSP savings and the EHT expense are summarized in the table below. It has been announced that the Ministry of Education will provide an offsetting grant to cover the costs of the incremental EHT.

Description	MSP Costs	EHT Costs	Total Costs	Yr/Yr Change
Base year - 2016/17	1,477,075	0	1,477,075	
2017/18	1,107,806	0	1,107,806	(369,269)
2018/19	738,537	2,055,306	2,793,843	1,686,037
2019/20	369,269	4,110,612	4,479,881	1,686,037
2020/21	0	4,110,612	4,110,612	(369,269)

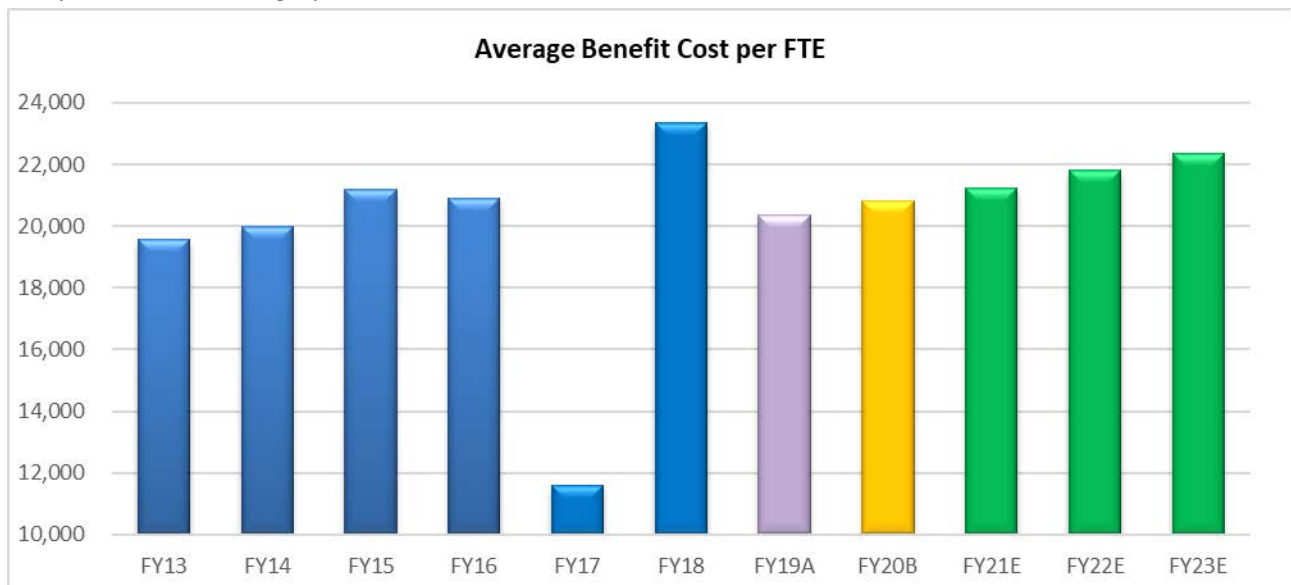
- d) **Teacher Pension Plan (TPP)** – The TPP employer premium rate was reduced by 1.93% on January 1, 2019. This reduction is assumed to be in place for the foreseeable future.

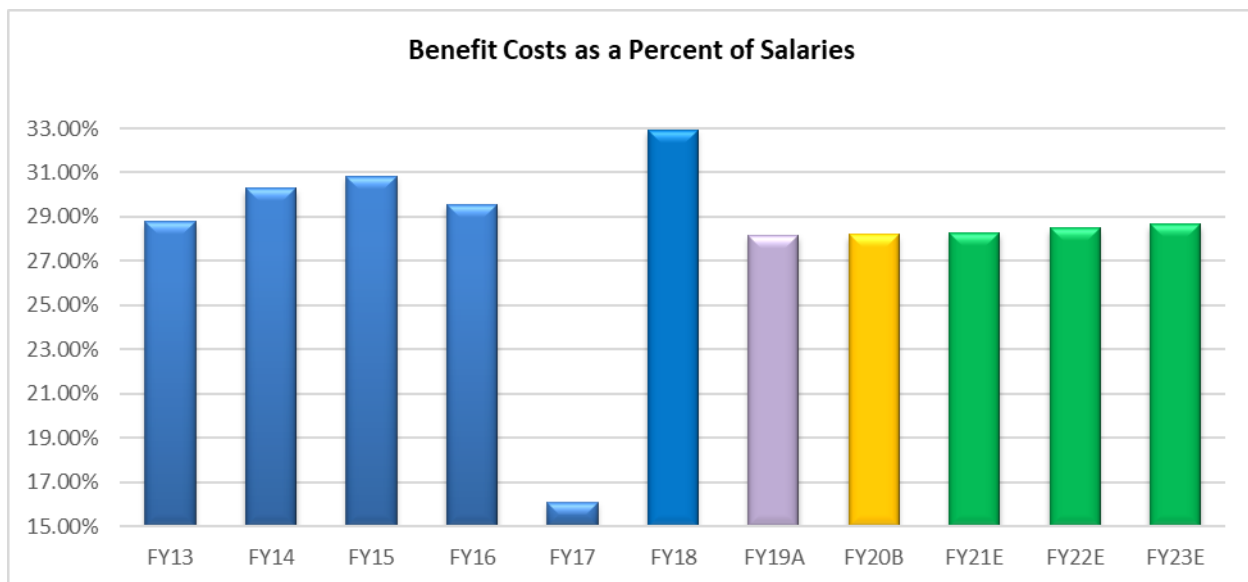
- e) **Non-Teacher's Pension Plan (NTPP) Solvency** – the NTPP actuarial valuation was last completed at December 31, 2016. This reflected a solvency deficiency of nearly \$48.8 million. The deficiency has been addressed by the agreement to make solvency deficiency payments to a solvency reserve account (SRA) at a rate of \$2.2 million annually for 10 years. A Letter of Credit (LoC) was also secured in the amount of \$29.4 million which results in an additional \$1.3 million in annual interest payments into the SRA. This will continue as long as the LoC of \$29.6 million is retained. The total annual payment of \$3.5 million has been assumed to be required through the projection years at this time.

The closing of the NTPP and transfer of active NTPP enrollees to the MPP has reduced the solvency deficiency by approximately 35%. An actuarial valuation will be performed as of December 31, 2018 – one-year in advance of the required timing. Further, the Board has request that Government provide solvency exemption or at least relief. This could provide for relief of some of the \$3.5 million minimum solvency deficiency payment scheduled an incorporated into all three projection years.

- f) Health and dental benefit costs are assumed to increase based on the historic trend of approximately 4.0% annually.

A summary of historic and projected benefit costs on a cost per employee basis and as a percentage of salaries is captured in the two graphs below.





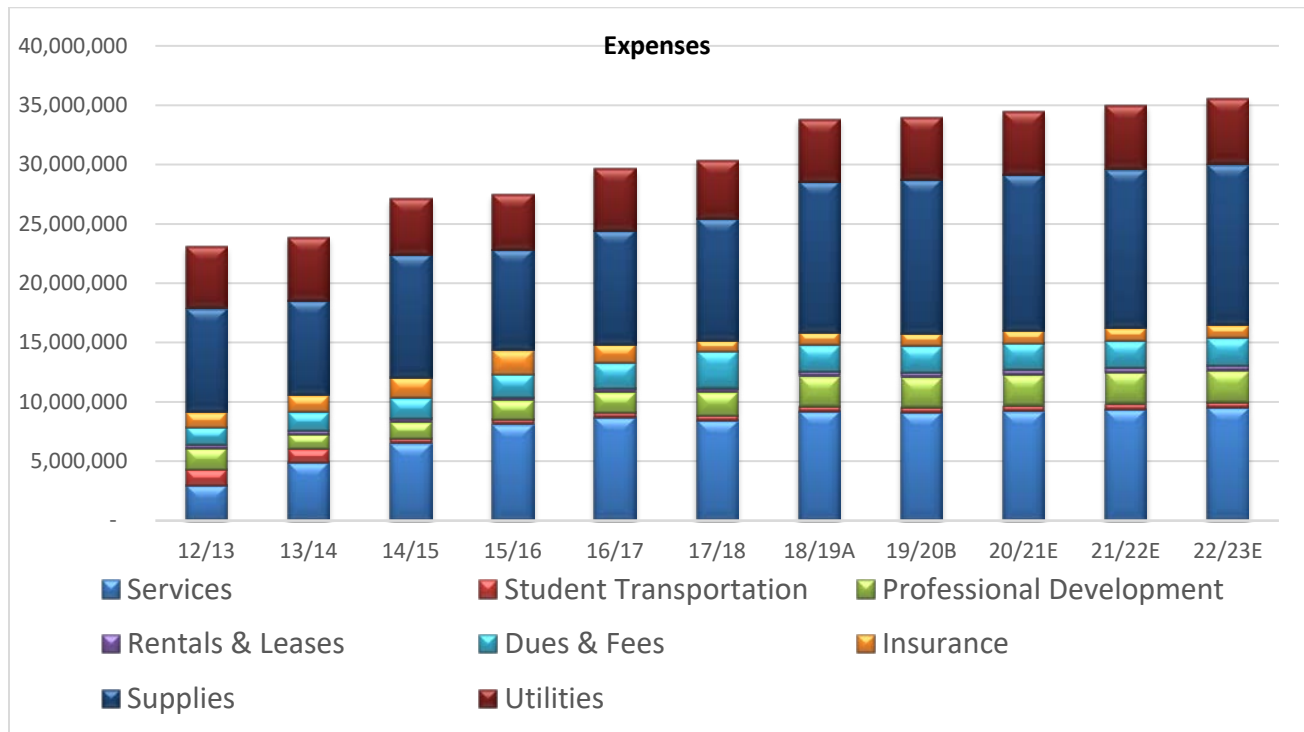
Benefit costs reduced in FY17 as an outcome of the recognition of closing the post retirement group benefit plan (PRGB) associated with individuals who retired from the School District in the NTPP retiree program. The closing of this plan to new enrollees and the subsequent provisioning of retiree health benefits with the MPP program allowed for the elimination of unfunded employee future benefits as well as the recognition (as an expense reduction) the release of liabilities associated with the PRGB program.

The increase in benefit expenses for FY18 is associated with one time costs associated with the transfer of active NTPP employees to the MPP which will not be repeated in subsequent years. The benefits budget does include funding to address required ongoing solvency deficiency payments.

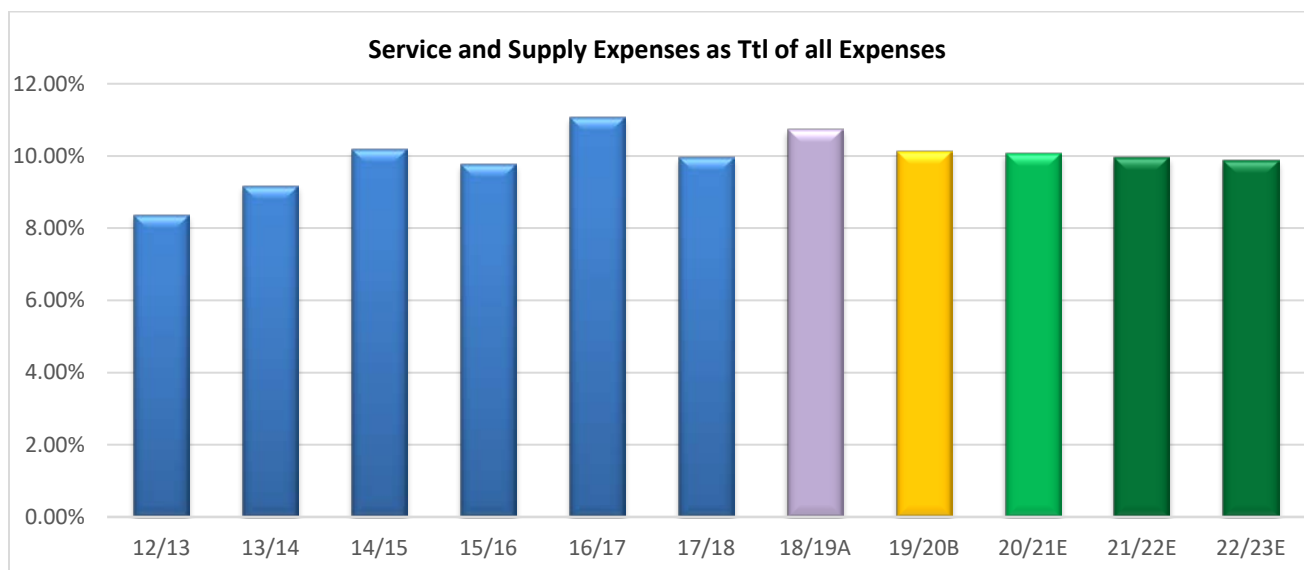
As a result, the benefit trend as a percentage of salaries has been moderated from a growth level above 30% of salaries, to a level that is projected to be range bound close to 28% of salaries. This could moderate further as solvency deficiency funding requirements are stabilized.

Expenses – Service and Supplies

- Service and supply expenses are assumed to increase at 1.50% - slightly below the level of 'targeted' inflation.



Service and supply expenditures are expected to remain range bound at or slightly below 10% of all operating expenses. The provincial average for 2018/19 is budgeted at 11.6%. The actual in 2017/18 was 11.8%



Interfund Transfers

- Funds will be transferred to the Local Capital account enough to provide funding for the Educational Learning Center (see page 24).
- To mitigate the risk regarding the potential for required local capital contributions for classroom additions, new schools, and seismic upgrades, transfers may be required from the operating account.(see page 27-28). If the funds are not required for capital purposes, the funds can be transferred back into the operating account.
- In addition, a transfer from Operating to Capital is assumed to be required in order to record capital items purchased with operating funds.

Accumulated Surplus

- It is estimated that IE revenues will continue to attain a level that is \$5 million more than projected which provides the ongoing surplus required to maintain the current level of accumulated surplus.
 - This is necessary to achieve financial stability and certainty for a rolling three-year period. The degree to which this is not attained would likely require the three-year gradual glide path to reduce expenses – most likely staffing levels as this is 90% of the operating budget.

Pension Stabilization Account

The Pension stabilization account captures the amount of cash that is transferred from the School District to the Non-Teaching Pension Plan (NTPP) as an outcome of the required solvency deficiency payment requirement. (See page 36). As accounting is based upon going concern funding levels, solvency funding creates increased going concern surplus which results in a net zero expense. The cash transfer is recorded in this surplus stabilization account, such that should going concern funding diminish (as it will at some point in the future) and create an operational expense, the pension stabilization account will provide the offset to the operational deficit that is created from this expense. While this amount is reflected as an operating surplus due to accounting requirements, it is required to adequately fund the NTPP solvency deficiency until the plan is no longer required for the funding for retirees.

Multi-Year Operational Forecast Summary

The detailed projected outcome of the above assumptions is captured in the financial statement on the next page. The noted assumptions provide a reasonable projection of a near balanced budget (within a narrow outcome range) in the first few years and one than can be managed without impacting existing resources.

The projection outcome becomes less certain the further into the future due to uncertainty in funding and inflationary increases. However, there should be a reasonable level of comfort that unless there is a significant event, the financial stability of the School District is stable for the period this three-year projection is intended to cover.

Three Year Operating Budget Forecast Summary

	Actual 2016/2017	Actual 2017/2018	Amended 2018/2019	Budget 2019/2020	Projected 2020/2021	Projected 2021/2022	Projected 2022/2023
Provincial Grants - Ministry of Education							
Total Provincial Grants	267,168,011	270,380,642	278,607,110	286,964,753	293,439,214	299,313,241	305,587,680
Provincial Grants - Other (MCFD)	51,072	51,072	51,072	51,072	51,072	51,072	51,072
Continuing Education	1,226,215	921,220	899,616	914,616	923,762	933,000	942,330
Offshore Tuition Fees	34,200,680	36,959,535	32,926,874	30,184,000	30,184,000	30,184,000	30,184,000
Miscellaneous	959,701	965,734	645,833	645,833	652,291	658,814	665,402
Rentals and Leases	1,717,090	1,644,713	1,540,375	1,540,375	1,571,182	1,602,606	1,634,658
Investment Income	1,618,215	2,735,417	1,965,000	2,001,047	2,373,802	2,468,531	2,535,760
Total Other Revenue	39,721,901	43,226,619	37,977,698	35,285,871	35,705,038	35,846,951	35,962,151
TOTAL OPERATING REVENUE	306,940,984	313,658,333	316,635,880	322,301,696	329,195,325	335,211,264	341,600,902
Salaries							
Teachers	140,664,251	140,701,267	145,059,643	149,826,060	153,699,969	157,255,106	160,890,969
Principals and Vice Principals	13,191,056	13,883,084	15,170,742	15,689,642	15,910,416	16,357,936	16,816,993
Educational Assistants	14,388,420	15,349,006	18,233,940	20,617,893	20,814,796	21,614,089	22,437,029
Support Staff	22,296,253	23,124,051	25,205,262	25,662,155	26,488,869	27,018,646	27,559,019
Other Professionals	5,383,802	5,551,532	6,633,466	6,976,429	6,901,458	7,039,487	7,180,277
Substitutes	9,266,736	8,135,055	9,265,276	9,344,027	9,530,908	9,721,526	9,915,956
	205,190,518	206,743,995	219,568,329	228,116,206	233,346,415	239,006,791	244,800,244
Employee Benefits	33,020,623	68,069,855	61,844,715	64,334,278	66,003,471	68,068,566	70,190,452
	16.09%	32.92%	28.17%	28.20%	28.29%	28.48%	28.67%
TOTAL Salaries and Benefits	238,211,141	274,813,850	281,413,044	292,450,484	299,349,886	307,075,357	314,990,695
Services & Supplies							
Services	8,694,544	8,433,803	9,163,488	9,099,703	9,236,199	9,374,742	9,515,363
Student Transportation	408,194	428,130	431,138	431,138	437,605	444,169	450,832
Professional Development	1,712,556	1,986,387	2,580,148	2,570,846	2,609,409	2,648,550	2,688,278
Rentals & Leases	296,670	259,364	388,256	394,216	400,129	406,131	412,223
Dues & Fees	2,165,435	3,175,542	2,216,311	2,206,074	2,239,165	2,272,753	2,306,844
Insurance	1,563,558	914,039	1,070,720	1,070,720	1,086,781	1,103,083	1,119,629
Supplies	9,599,164	10,231,700	12,749,723	11,966,422	12,145,918	12,328,107	12,513,029
Utilities	5,219,964	4,974,467	5,253,998	5,253,998	5,332,808	5,412,800	5,493,992
	29,660,085	30,403,432	33,853,782	32,993,117	33,488,014	33,990,334	34,500,189
TOTAL OPERATING EXPENSES	267,871,226	305,217,282	315,266,826	325,443,601	332,837,900	341,065,691	349,490,884
NET REVENUE (EXPENSE)	39,069,758	8,441,051	1,369,055	(3,141,905)	(3,642,575)	(5,854,427)	(7,889,982)
Interfund Transfers	(3,410,024)	(5,697,897)	(6,005,960)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Use of Accumulated Surplus			4,636,905	4,141,905	4,500,000	4,500,000	4,500,000
Recapture of SRA expense			4,675,000	3,932,075	3,932,075	3,932,075	3,932,075
Estimated IE Surplus			5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Operating Surplus for the Year	35,659,734	2,743,154	9,675,000	8,932,075	8,789,500	6,577,648	4,542,093
Surplus (Deficit) Beginning of Year	(14,358,612)	21,301,122	24,044,276	29,082,371	33,872,541	38,162,041	40,239,689
Use of Surplus			(4,636,905)	(4,141,905)	(4,500,000)	(4,500,000)	(4,500,000)
Surplus (Deficit) End of the year	21,301,122	24,044,276	29,082,371	33,872,541	38,162,041	40,239,689	40,281,782
Pension Stabilization Account		7,532,483	12,207,483	16,139,558	20,071,633	24,003,708	27,935,783
Internally Restricted	21,301,122	16,511,794	16,874,888	17,732,983	18,090,408	16,235,981	12,345,999
Surplus (Deficit) End of the year	21,301,122	24,044,277	29,082,371	33,872,541	38,162,041	40,239,689	40,281,782

Section 4: Additional Information and Resources

A History of Student Success

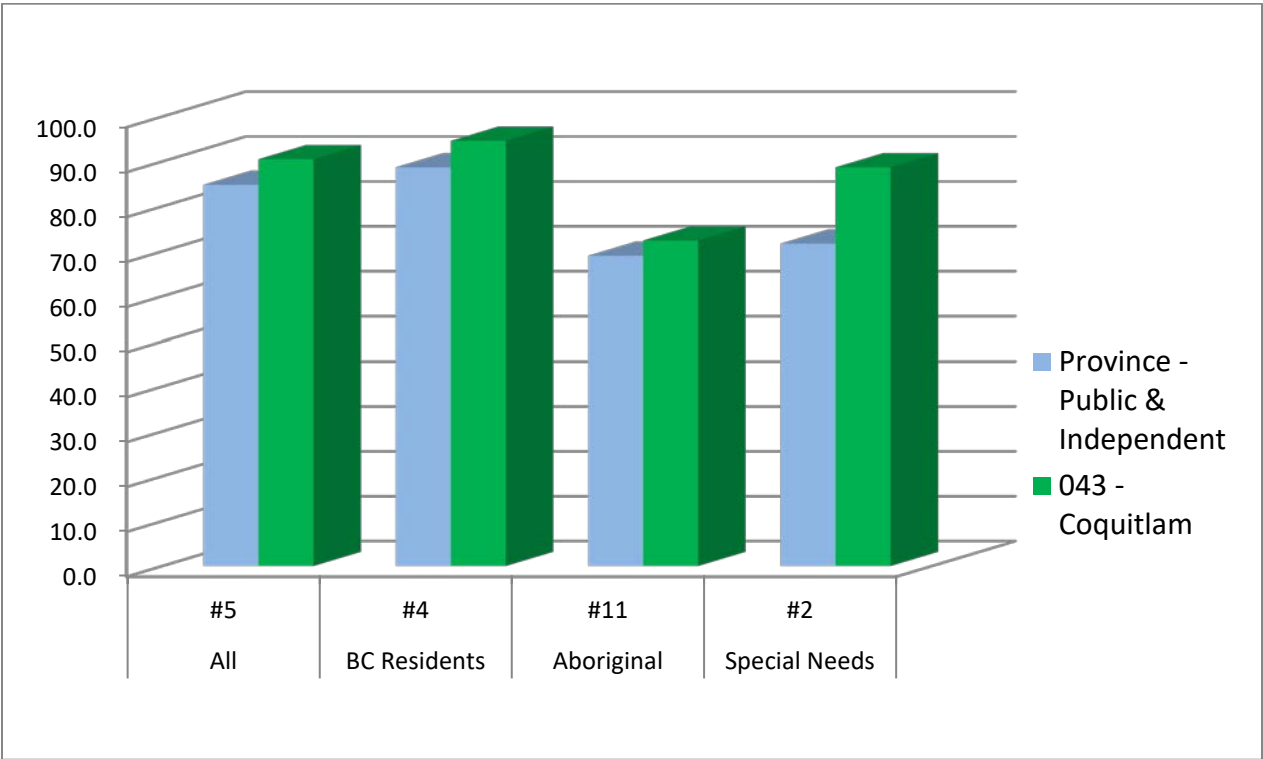
Through the budget process, the Board will seek to maintain a high achieving and sustainable organization for the long-term which is built on our past successes. We will seek new and innovative ways to deliver our services which will ensure that we maximize our budgets and ensure quality learning for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

SD43 has a history of high levels of student success. The 2018 Achievement Levels released by the Ministry of Education in early 2019, 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.

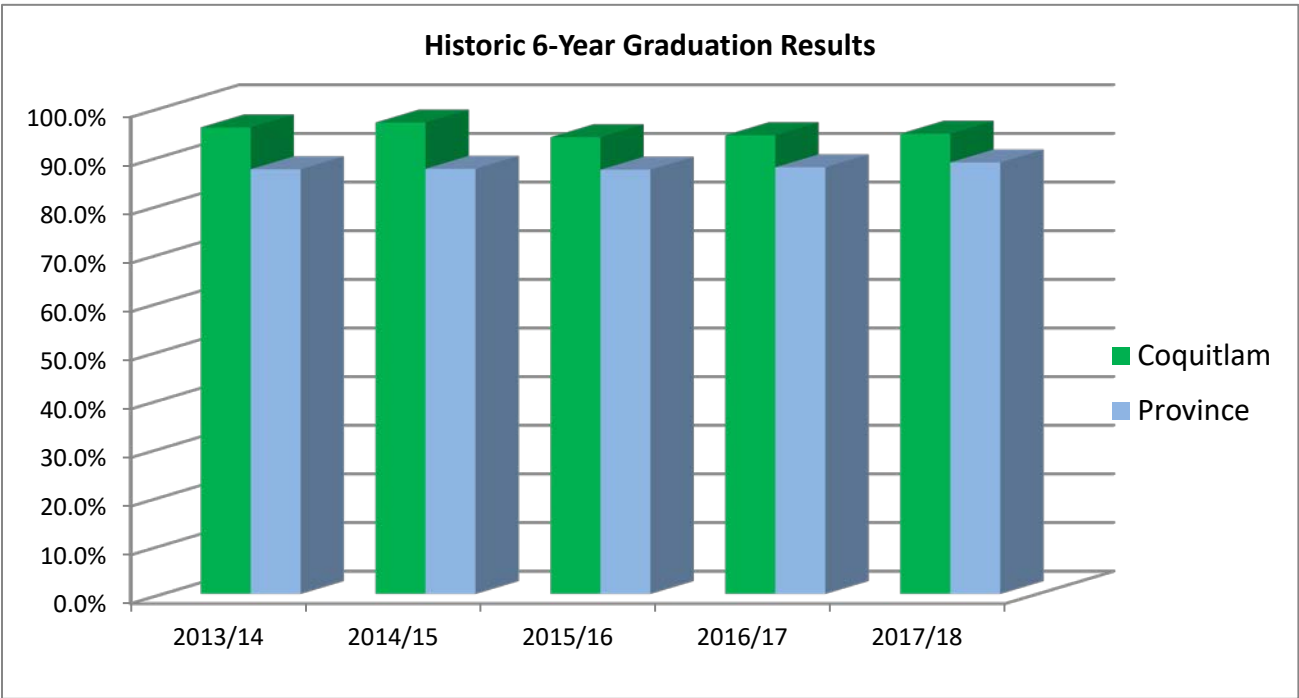
The graph below reflects our student performance and ranking in all provincially measured areas against school districts where graduates exceed 500 students for 2018.

SD43 2018 Achievement Levels



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

The graph below reflects BC resident student performance against all school districts amalgamated provincial average over the past 5 years.



Operating Staff: Student Ratios

Presented in the two charts below is our standard benchmark of student to staff member ratio. This report only includes operating staff and does not include the extensive staffing included within the Classroom Enhancement Fund. The first chart compares SD43 against the provincial average of student to staff on an FTE basis and the second chart compares SD43 against the 10 school districts in the metro region. These 10 metro school districts represent approximately 46% of the entire provincial public K-12 student enrolment.

The last two columns on the right side of each chart captures the variance to the provincial/metro averages as at September 2018 and 2017 respectively. While the teacher ratio remained relatively constant and close to both the provincial and metro averages, staffing improvements were made in all other staffing groups. A lower student to staff ratio is better.

A key aspect of the improvement toward the averages over the past two years is the outcome of our organizational capacity initiative which was supported through the enterprise risk management assessment completed in mid-2017. Without the continued incremental income provided by our international education program, it would otherwise be unlikely that we could achieve full parity with provincial or metro averages, as the cost of SD43 employee benefit programs (health and dental) is more extensive than those in comparable school districts.

Staffing Chart: Comparisons to Provincial Average by Staffing Group as at September 2018

Staffing Comparison	Coquitlam Staff (full-time equivalent)	Provincial Average (student: staff member)	Coquitlam (student: staff member)	Variance	Variance Prior Year
Teachers	1,790.00	17.60	17.13	2.68%	1.42%
Principals & Vice-Principals	122.50	205.35	250.25	-21.86%	-26.03%
Other Professionals (HR, excluded management and staff, Trustees)	66.00	296.72	464.47	-56.53%	-62.28%
Support Staff	521.24	49.82	58.81	-18.05%	-20.17%
Educational Assistants	501.94	48.34	61.07	-26.34%	-32.79%
All Staff	3,001.69	9.45	10.21	-8.08%	-10.10%

* A lower average is better

Staffing Chart: Comparisons to Metro Average by Staffing Group as at September 2018

Staffing Comparison	Coquitlam Staff (full-time equivalent)	Metro Average (student: staff member)	Coquitlam (student: staff member)	Variance	Variance Prior Year
Teachers	1,790.00	17.29	17.13	0.92%	-1.08%
Principals & Vice-Principals	122.50	248.87	250.25	-0.56%	-3.66%
Other Professionals (HR, excluded management and staff, Trustees)	66.00	446.59	464.47	-4.01%	-9.40%
Support Staff	521.24	53.61	58.81	-9.71%	-11.76%
Educational Assistants	501.94	49.82	61.07	-22.59%	-29.10%
All Staff	3,001.69	9.72	10.21	-5.02%	-7.57%

* A lower average is better

Operating Budget Historic Staffing Summary

School District operating staffing levels peaked in the 2012/13 school year – the year the school district incurred a deficit. Staffing reductions occurred in the following two years and more recently have returned to similar or better than previous staffing levels. This chart reflects staffing levels as reported to the Ministry of Education.

September 30:	2012	2013	2014	2015	2016	2017
Teachers	1,822.00	1,744.09	1,679.39	1,722.59	1,763.17	1,776.27
Principals & Vice-Principals	115.50	110.50	109.10	110.50	113.50	116.50
Other Professionals	39.00	44.00	44.60	47.00	52.60	62.00
Support Staff	543.53	515.03	498.95	496.59	500.61	510.11
Educational Assistants	369.44	346.74	332.21	401.46	417.27	451.46
Total All Staff	2,889.47	2,760.36	2,664.24	2,778.14	2,847.15	2,916.34

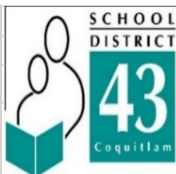
Support Staffing Details

Support and Educational Assistant staffing comprises of several distinct staffing components which is captured for selective years in the table below.

	2012/13	2016/17	2017/18	Projected 2018/19	Budget 2019/20	Variance Y/Y	Variance 6 yrs
Educational Assistants	322.97	407.67	449.18	500.98	510.98	10.00	188.01
Learning Inclusion Support Workers		-	-	-	26.00	26.00	26.00
Youth & Support Workers	66.50	65.64	74.59	83.09	83.09	0.00	16.59
Library Assistants	14.57	8.97	8.97	9.57	9.57	0.00	(5.00)
Clerical	190.20	195.51	199.25	203.12	203.12	0.00	12.92
Teacher Assistants	30.63	6.07	6.07	10.57	10.57	0.00	(20.06)
Custodians	191.75	185.00	185.00	188.00	188.00	0.00	(3.75)
Maintenance	83.00	66.40	91.40	95.90	96.40	0.50	13.40
IT	29.00	28.00	30.00	31.00	31.00	0.00	2.00
Noon Hour	28.15	27.07	27.07	27.07	27.07	0.00	(1.08)
Cafeteria	25.69	5.87	6.00	6.00	6.00	0.00	(19.69)
Total	982.46	996.20	1,077.52	1,155.29	1,191.79	36.50	209.33

Staffing has been restored strategically and in alignment with the vision of the Board as articulated through ***Directions 2020***.

- This direction has created a focus on educational assistants, youth and support workers. This remains a focal point.
- Clerical additions initially resulted from the closure of secondary school cafeterias and clerical staff has been subsequently added into large population schools. (Note the comment about this below). The introduction of a new accounting system into schools simplified this area of responsibility which contributed in offsetting the attention required for **myedbc** student data base requirements.
- Custodian staffing is based on specific aspects of the collective agreement and provides limited staffing flexibility.
- An aspect of our organization capacity initiative has assisted in restoring many of the maintenance positions during the past few months and will continue into next year.



BOARD OF EDUCATION

Budget Stakeholder and Partner Group Meetings Summary 2018/19

Appendix A

Learning for a Lifetime

Related	Partner Group	Stakeholder	Budgetary Request - What we Heard	How we have Responded
Mental Health Support				
1	SLC	Student Leadership Council	Mental Health support for students	New Mental Health Coordinator position added in 2017/18; additional counselling positions added through CEF Continued advocacy for incremental funding from Health Authorities and the Provincial Government.
1	CPVPA	CPVPA	Continue mental health support at middle level	
1	CPVPA	CPVPA	Additional mental health support at secondary level	This is systematically done through learning services at all three levels. The collected information influences staffing decisions by Learning Services (for EA s and Learning Services Teachers) and by the Assistant Superintendents for general school staffing.
Teachers - Non Enrolling				
2	CTA	CTA	Hire more school based non-enrolling teachers including Counsellors, Learning Services and ELL teachers.	Non-Enrolling teachers are determined by the formula in the Collective Agreement. The CEF will only fund positions to this contractual level. SD43, however, has staffed higher than the mandated levels through the support of International Education resources.
2	CPVPA	CPVPA	Increase non-enrolling teacher time	
2	CTA	CTA	Review staffing of counsellors at elementary level (request to not be spread out and to not assign teaching time)	Agreed where possible and within the constraints of staffing resources. We also employ creative strategies such as a 1.0 Counsellor that services Moody Elementary and Moody Middle.
2	CTA	CTA	Use all Surplus for Teacher Staffing - primarily Counselling	This is contrary to our adopted financial sustainability approach and providing resources to other operational areas of the organization including facilities and technology.
Special Needs Students				
3	CTA	CTA	Hire more Education Assistants to support teachers in classrooms	33 FTE EA positions were added through CEF and Operating Budget in 2017/18. An additional 41 EA's have been added in 2018/19. This continues to be a major focus area for SD43
3	CPVPA	CPVPA	Increase Education Assistants at secondary level	
4		Tri-Cities Autism Network	Applied Behaviour Analysis (ABA Program) should be implemented in this School District. Create a skill specific EA position with 500 hours of ABA experience. Implement a pilot project with 1,000 hour ABA experience.	SD43 has an ABA trained consultant to train team members who work with children with autism as well as consult with parents. SD43 has implemented an educational series on ABA at elementary and middle schools and also implemented an ABA training program for all EA's.

Related	Partner Group	Stakeholder	Budgetary Request - What we Heard	How we have Responded
Special Needs Students				
5	CTA	CTA	Training for teachers to support students with special needs	Agreed. We have a hiring preference for teachers who have courses, documented session training and experience in teaching English Language Learner (ELL) and students with special needs. We are planning an ELL professional learning series and providing each teacher who completes the series with a certificate to document their professional learning.
Supply Budgets				
6	CPVPA	CPVPA	Increase supply budgets to address inflationary increases at secondary level to pre-2010 levels	School Supply budgets were increased \$400,000 in 2017-18 and \$200,000 in 2018-19. In addition IT and Custodial Departments have moved to supplement computer purchases and janitorial equipment within their department budgets which results in greater flexibility within school supply budgets. Additional resources have been provided to the Assistant Superintendent's to address emergent needs.
7	DPAC	DPAC	Request \$10K to increase parent engagement and awareness and dedicate resources on special project on parental education on healthy conflict resolution within the education community	\$5,000 was provisioned in the 2018/19 approved budget.
8	DPAC	Emergency Preparedness	Funding for emergency preparedness/earthquake kits in schools	Kits are purchased at discretion of the School Administrator through school budget allocations
9	CTA	Coquitlam Music Teachers' Association	Funding to support District wide events (TTOC time, cost of bussing and other misc. costs)	Funding is provided through individual school supply budgets and supplemented as needed by the Assistant Superintendents. This includes the funding of transportation and other costs.
Administration				
10	CPVPA	Elementary Schools	Eliminate teaching time for principals at elementary level	Increased admin time to Principals to minimum 0.7; VPs to minimum 0.4 this past year. To attain complete elimination of Principal teaching time would result in an approximate cost of \$1.4M.
10	CPVPA	Elementary Schools	Additional VP's at larger Elementary Schools	As budgets permit, we are addressing the opportunity to add to administrator positions and/or additional relief time.
10	CPVPA	Middle Schools	Increase Admin time at Middle Schools	

Related	Partner Group	Stakeholder	Budgetary Request - What we Heard	How we have Responded
Teachers - General Staffing				
11	CPVPA	CPVPA	Reduce Student to Educator Ratio	Agreed - within the confines of a balanced budget. The Student/Teacher ratio is in line with the Provincial average, and we are continuing to address the Administrator ratio. 10 Administrators were added during 2017-18.
12	CPVPA	Elementary Schools	Review complexity of school population and enrolment holistically when staffing at elementary level	This is systematically done through learning services at all three levels. The collected information influences staffing decisions by Learning Services (for EA s and Learning Services Teachers) and by the Assistant Superintendents for general school staffing.
13	CPVPA	Middle Schools	Additional financial support of explorations at middle level to maintain program and free up admin time	Education leaders are working with middle school principals regarding decisions that they are making as it pertains to exploration staffing and staffing for students with special needs.
14	CPVPA	Middle Schools	Additional financial support for library time at middle level that has been taken away as result of explorations	The district is committed to the transformation of school library spaces into Library Learning Commons. This past year, the district provided significant new assistance to schools to support this transition, including the addition of a temporary Library Support Teacher position and a doubling in librarian training release opportunities. We have also implemented a structure where district staff provide direct, hands-on assistance with collection review, updating and processing to meet emerging best practice. The district recently introduced learning resources subsidies to support teacher librarians and schools who are engaged in this transition to supplement existing school allocations and assist with collection modernization and addition of technology in Learning Commons spaces. Library staffing levels are currently determined by formula in accordance with the teacher contract.
15	CPVPA	CPVPA	Increase library funding at secondary level	Staffing levels are determined by the Collective Agreement. Library supplies are supported through the school supply budgets.
16	CTA	Coquitlam Music Teachers' Association	Restore Fine Arts Coordinator (either Full time or Part-time) to oversee district events and collaborate with arts teachers at all levels	No additional staffing added. Cost of a 1.0 FTE Coordinator is \$134,000.
Teachers Teaching on Call (TTOC)				
17	CPVPA	Secondary Schools	Increase TTOCs at secondary level	This is an issue of lack of TTOC availability throughout the Province. SD43 has hired a number of full time TTOC's to assist in alleviating this concern, which appears to have helped significantly this school year.

Related	Partner Group	Stakeholder	Budgetary Request - What we Heard	How we have Responded
Learning Services				
18	CPVPA	Middle Schools	Continue to receive support from Learning Services at middle level	The inclusion support team has expanded to provide support to all middle schools. We anticipate that the Alternate Education review will also have suggestion for supports for students in middle schools. We are looking to change the delivery model of the TOWER program to better meet the needs of middle school students
19	DPAC	DPAC	Increase funding and review process for psychological assessments	We have increased school psychology time to the level before the reductions in 2012/13 and are in the process of creating a system wide change to the use of school psychologists following a tiered model of interventions. We are revamping our entire Early Literacy program to include screening processes starting at the Kindergarten level. The program will combine teacher based screeners and the use of the PAR screener for Learning Resource teachers. Schools will bring the data from these screeners to their school based team meetings to interpret the data, initiate and track universal (class wide) and targeted interventions. School psychologist will be involved in working with schools to support this process. This information will help us make better decisions regarding tier 3 interventions including the requirement to do a full psychological assessments. This process will also help us with decision regarding entrance to the Teaching and Evaluation Center
20	Parents	Gifted Students/MACC	Expand the MACC program for September, 2019 to open MACC classes at Montgomery Middle school or other locations. Expand the contact hours with Challenge programming for gifted students not able to attend MACC to exceed the current 1 hour per week	The MACC program is an option for students at the middle school level but not the only option for programming for Middle school gifted students. The overall number of gifted students has not increased in the school district, however the number of students applying to MACC has increased significantly. Enrollment in the program has shifted away from the original intention of the program which was to attract those at risk learners that were not being successful in the mainstream classrooms. The revised curriculum is promoting diversity and inclusion in all classrooms. The true intention of the curriculum is to provide personalization and opportunities for all students including gifted students. The district has been working on meeting the needs of all learners in the mainstream classrooms. There is no intention to remove or reduce the size of our MACC program but we believe that expanding it is not the right decision at this time.
20	MACC	MACC	Increase resources for Gifted students - add programs	
Support Staff				
21	CUPE	Career Resource Facilitators	Add hours so that there is an equivalent of 8 FTE positions -one at each secondary school to serve student needs	The 2018/19 budget incorporated the equivalent of 1.8 FTE positions or 1 additional day per week per secondary school.
21	CUPE	Career Resource Facilitators	More professional days	This is an aspect of collective bargaining.

Estimated Operating Grants - 2019/20 School Year
School District 43 Coquitlam

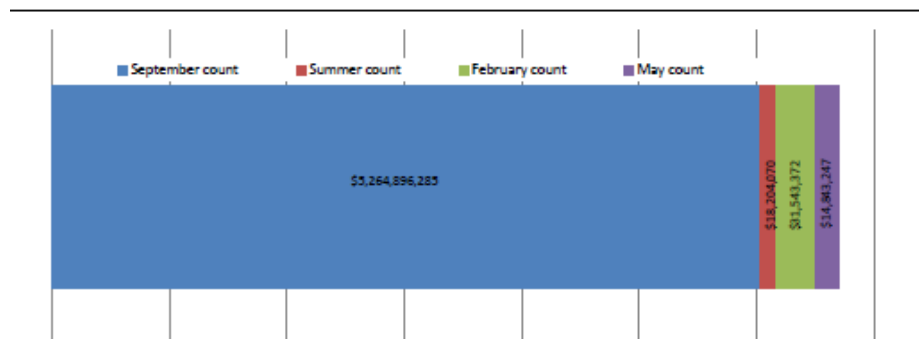
Appendix B

September 2019 Enrolment Count				
	School-Age Enrolment	Funding Level	Funding	Total Supplement
Standard (Regular) Schools	30,090.0000	\$7,468	\$224,712,120	
Continuing Education	7.0000	\$7,468	\$52,276	
Alternate Schools	420.0000	\$7,468	\$3,136,560	
Distributed Learning	210.0000	\$6,100	\$1,281,000	
Home Schooling	14	\$250	\$3,500	
Course Challenges	277	\$233	\$64,541	
Total Enrolment-Based Funding (September)	30,727.0000			\$229,249,997
	Total Enrol. Change	Funding Level	Funding	Total Supplement
1% to 4% Enrolment Decline	71.7500	\$3,734	\$0	
4%+ Enrolment Decline		\$5,601	\$0	
Significant Cumulative Decline (7%+)	34.8125	\$3,734	\$0	
Supplement for Enrolment Decline				\$0
	Enrolment	Funding Level	Funding	Total Supplement
Level 1 Special Needs	24	\$42,400	\$1,017,600	
Level 2 Special Needs	1,150	\$20,200	\$23,230,000	
Level 3 Special Needs	320	\$10,250	\$3,280,000	
English Language Learning	4,800	\$1,495	\$7,176,000	
Aboriginal Education	1,300	\$1,450	\$1,885,000	
Adult Education	50.0000	\$4,773	\$238,650	
Vulnerable Students			\$1,076,932	
Supplement for Unique Student Needs				\$37,904,182
Variance from Provincial Average	\$972			
Estimated Number of Educators	1,709.833		\$1,661,958	
	Enrolment	Funding Level	Funding	Total Supplement
FTE Distribution	30,777.0000	\$180.33	\$5,550,016	
Supplement for Salary Differential				\$7,211,974
Supplement for Unique Geographic Factors				\$2,009,253
Funding Protection				\$0
Supplement for the Education Plan				\$613,105
September 2019 Enrolment Count, Total				\$276,988,511

July 2019 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
Summer Learning Grade 1-7	3,775	\$215	\$811,625	
Summer Learning Grade 8-9	716	\$215	\$153,940	
Summer Learning Grade 10-12	1,440	\$430	\$619,200	
Supplemental Summer Learning Funding			\$276,151	
Cross-Enrolment, Grade 8 and 9	0	\$0	\$0	
Summer Learning, Total				\$1,860,916
February 2020 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	7.0000	\$7,468	\$52,276	
Adult FTE - Continuing Education	70.0000	\$4,773	\$334,110	
K-Gr 9 School-Age FTE - Distributed Learning	6.0000	\$3,050	\$18,300	
Gr 10-12 School-Age FTE - Distributed Learning	270.0000	\$6,100	\$1,647,000	
Adult FTE - Distributed Learning	25.0000	\$4,773	\$119,325	
Level 1 Special Needs Enrolment Growth	0	\$21,200	\$0	
Level 2 Special Needs Enrolment Growth	10	\$10,100	\$101,000	
Level 3 Special Needs Enrolment Growth	0	\$5,125	\$0	
Newcomer Refugees	10.0000	\$3,734	\$37,340	
ELL Supplement - Newcomer Refugees	10	\$748	\$7,480	
February 2020 Enrolment Count, Total				\$2,316,831
May 2020 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	7.0000	\$7,468	\$52,276	
Adult FTE - Continuing Education	55.0000	\$4,773	\$262,515	
K-Gr 9 School-Age FTE - Distributed Learning	2.0000	\$2,033	\$4,066	
Gr 10-12 School-Age FTE - Distributed Learning	85.0000	\$6,100	\$518,500	
Adult FTE - Distributed Learning	14.0000	\$4,773	\$66,822	
May 2020 Enrolment Count, Total				\$904,179
2019/20 Full-Year Estimated Total				\$282,070,437
Estimated 2019/20 Operating Grant from Indigenous Services Canada				\$0
Estimated 2019/20 Operating Grant from Ministry of Education				\$282,070,437

Overview of the 2019/20 Operating Grant Allocation Formula

Allocation of the total Operating Block and Enrolment counts
(2019/20 estimated as at March 2019)



Funding Adjustments:

- Districts' preliminary allocations are adjusted after each of the enrolment counts; September 30th, February and May;
- District preliminary allocation will increase if actual enrolment is higher than district estimated enrolment; and consequently decline if actual enrolment is lower than district estimated enrolment;
- Funding Protection is calculated following the September enrolment count only – this supplemental grant is calculated last and ensures that districts do not experience a funding decline of greater than 1.5% compared to the previous year for the September count;
- The full operating block must be allocated to districts by June 30 of the current school year;
- Funding is disbursed in a "just in time" manner to closely match district cash needs.

Provincial Totals

78% allocated through the Basic Allocation

Basic Allocation

Common per student amount for every FTE student enrolled by school type

Standard School: \$7,468 per school age FTE	Continuing Education: \$7,468 per school age FTE
Alternate School: \$7,468 per school age FTE	Distributed Learning: \$6,100 per school age FTE

15% allocated to recognize unique student enrolment

Unique Student

Additional per student funding to address uniqueness of district enrolment and support additional programming

Level 1 Special Needs: \$42,200 per student	Level 2 Special Needs: \$20,200 per student	Level 3 Special Needs: \$10,250 per student
English/French Language Learning: \$1,495 per student	Aboriginal Education: \$1,450 per student	Adult Education: \$4,773 per FTE
Vulnerable Students: in addition to CommunityLINK		

7% allocated to recognize unique district factors

Unique District

Additional funding to address uniqueness of district factors

Small Community: for small schools located a distance away from the next nearest school	Low Enrolment: for districts with low total enrolment	Rural Factor: located some distance from Vancouver and the nearest large regional population centre	Climate Factor: operate schools in colder/ warmer climates additional heating or cooling requirements	Sparseness Factor: operate schools that are spread over a wide geographic area
Student Location Factor: based on population density of school communities			Supplemental Student Location: Level 1 and 2 special needs enrolment	
Salary Differential: Funding to districts that have higher average educator salaries				

0.1% allocated to buffer the effects of declining enrolment

Funding Protection / Enrolment Decline

Enrolment Decline: funding to districts experiencing enrolment decline of at least 1% when compared to the previous year	Funding Protection: funding to ensure that no district experiences a decline in operating grants greater than 1.5% when compared to the previous September
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CSF Supplement – district receives a 15% funding premium on allocated funding

All Funding information estimated for the 2019/20 School Year

Glossary of Terms

AFG	Annual Facilities Grant
Amended Budget	For 2019/20, boards must prepare, have it adopted by bylaw and submit to the Ministry of Education an amended (final) budget on or before February 28, 2020.
Annual Budget	For 2019/20, boards must prepare an annual budget, and have it adopted by bylaw on or before June 30, 2019 as per section 113 of the School Act (Adoption of Budget) and submitted to the ministry by this date.
BCPSEA	British Columbia Public School Employers' Association
BCSTA	British Columbia School Trustees' Association
BCTF	British Columbia Teachers' Federation
Capital Fund	The capital fund includes capital expenditures related to facilities (purchases and enhancements) and equipment (purchases) that are funded by Ministry of Education capital grants, operating funds, and special purpose funds.
Casual Employee	Individuals who substitute for regular continuing staff other than teachers.
CDP	Central Deposit Program – Cash pooling investment program with the Provincial Government
CEF	Classroom Enhancement Fund
CLC	Customized Learning Centre – Alternative Education Program
COL	Coquitlam Open Learning – Online classes for high school credit courses
CPVPA	Coquitlam Principals and Vice-Principals Association
CTA	Coquitlam Teachers' Association
CUPE	Canadian Union of Public Employees - Local 561
DPAC	District Parent Advisory Committee
Draw Time	Time made available at the discretion of schools and department managers to engage casual works during peak work periods.
EA	Education Assistant
Education Assistants	Education assistants, teacher assistants and youth workers.
ELL	English Language Learners
ELC	Education Learning Centre – a multipurpose building planned on the Winslow Campus to further the educational learning of SD43 as well as centralize Board office staff.

Enrolment Count	School district submission of enrolment information to the Ministry of Education. This includes data about each student enrolled in an educational program provided by the board, each child registered with a school or distributed learning school operated by the board, and each child who participates in an early learning program. Enrolment counts are completed in September, February and May of each school year.
FICOM	Financial Institutions Commission. As part of its mandate, this provincial government entity regulates pension plans.
FTE	Full Time Equivalent
LCR	Local Capital Reserve
LIF	Learning Improvement Fund
LISW	Learning Inclusion Support Worker
LOU#17	Letter of Understanding #17 – Class Size and Composition restored collective agreement language
MOA#17	Memorandum of Understanding #17 – Class Size and Composition restored collective agreement language. Agreement reached between BCPSEA and BCTF in March 2017.
MOE	Ministry of Education
MPP	Municipal Pension Plan
NGN	Next Generation Network – this system provides the communication backbone between School Districts and the Provincial Government.
NTPP	Non-Teaching Pension Plan. This plan was closed to new enrollees as at December 31, 2017 but continues to provide pension benefits to approximately 750 retirees.
OLEP	Official Language Education Program
Operating Fund	The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance and transportation.
Other Professionals	Superintendents, assistant superintendents, secretary treasurer, assistant secretary treasurers, Finance and HR Professionals, IT management, trustees, and any other board employee who is excluded from a union agreement.
P/VP	Principal/Vice-Principal
Preliminary Budget	For 2019/20, boards must prepare, adopt by bylaw and submit to the Ministry of Education an annual (preliminary) budget on or before June 30, 2019 as per section 113 of the School Act (Adoption of Budget).
PRGB	Post Retirement Group Benefits

Principal and Vice-Principal	Certified teachers (or teachers with a letter of permission) employed by a school district on a continuous basis, full-time or part-time, under contract (i.e., principals, vice-principals, and directors of instruction).
Salary Differential	The calculated difference between average teacher salary costs for a school district against the Provincial Average. School Districts with more experienced teachers are likely to have higher salaries. Supplemental Funding is provided to equalize teacher costs between school districts.
SD43	The Coquitlam School District
SLP	Speech and Language Pathologist
Solvency Deficiency	One of two methods to value employee future pension benefits (the other being going concern). This method determines whether there would be sufficient assets to cover member's accrued benefits if the plan terminated on the valuation date. The calculated shortfall or deficiency is required to be paid into the plan over a fixed period as determined by regulation.
Special Purpose Fund	The Special Purpose Fund is comprised of separate funds established to track revenue and expenditures received from the Ministry of Education and other sources that have restrictions on how they may be spent (e.g. Classroom Enhancement Fund, Annual Facilities Grant, Community LINK, Ready Set Learn and School Generated Funds).
SPF	Special Purpose Funds
Substitutes	Individuals who substitute for regular continuing staff while the regular staff are ill or absent for other reasons.
Support Staff	Administrative staff (other than principals and vice-principals) and support staff that are employed by a school district on a continuous basis, full-time or part-time. This includes clerical, maintenance, trades, custodians, information technicians etc.
Teacher	Certified teachers (or teachers with a letter of permission) employed by a school district on a continuous basis, full-time or part-time, excluding superintendents, assistant superintendents, principals, vice-principals, and directors of instruction.
TPP	Teacher's Pension Plan
Transportation	Costs of activities related to the conveyance of students with special needs to and from school on a regular basis and use of taxi services for students between schools.
TTOC	Teacher Teaching on Call
Utilities	Costs incurred by the school district for the consumption of heat, light, and water, as well as expenditures on garbage, sewer, conservation measures, recycling programs and internet/telephone providers
YW	Youth Worker

Additional SD43 Information Resources

You are encouraged to review additional strategic, financial, and governance publications in conjunction with this report.

Budget Process 2019-2020 Stakeholder Consultation Guide

<http://www.sd43.bc.ca/budget/Documents/Budget%20Process%20Consultation%20Guide%202019-2020.pdf>

2017/18 Financial Statement Discussion and Analysis

<http://www.sd43.bc.ca/District/Departments/Finance/Financial%20Statements/Financial%20Statement%20Discussion%20and%20Analysis%20June%2030%202018.pdf>

Guide to Financial Statements

<http://www.sd43.bc.ca/District/Departments/Finance/Financial%20Statements/Guide%20to%20Financial%20Statements.pdf>

Statement of Financial Information (SOFI) Report

<http://www.sd43.bc.ca/District/Departments/Finance/Financial%20Statements/F2018%20Statement%20of%20Financial%20Information.pdf>

SD43 Strategic Plan: Directions 2020

<http://www.sd43.bc.ca/Board/Vision/Documents/SD43Directions2020.Web.pdf>

Report of the Funding Model Review Panel: Improving Equity and Accountability

[https://www2.gov.bc.ca/assets/gov/education/administration/resource-management/k12funding/funding-model-review/independent review panel-final report 2018.pdf](https://www2.gov.bc.ca/assets/gov/education/administration/resource-management/k12funding/funding-model-review/independent_review_panel-final_report_2018.pdf)



Contacting Management

This financial report is designed to provide the School District's stakeholders with a detailed overview of the School District's proposed preliminary budget for the upcoming school year and to provide a financial forecast for the next three years. Transparency and accountability for the use of public funds received by the School District are a cornerstone SD43's educational leadership and public trust.

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



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

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

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