

# 2020/2021 Budget Presentation

**Presented to the Board of Education**

April 7, 2020



*Learning for a Lifetime*

# Presentation Agenda

1. Key Dates
2. Directions 2020 and Financial Governance
3. 2020/21 Proposed Budget
  - Significant Influences
  - Funding
  - Staffing, Salaries and Expenses
  - Special Purpose Funds and Capital
5. Risks Factors
6. Multi-Year Forecast



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# Key Budget Dates

- February 11 - Stakeholder and Public / Budget Input Meeting
- February 18 - Provincial Budget announcement
- March 12 - Ministry announcement of 2020/21 preliminary operating grant
- April 7 - Public Board Meeting – 2020/21 Proposed Budget
- April 14 - Special Public Budget Meeting – Stakeholder Feedback Comments
- April 21 - Public Board Meeting and Board - Approval of the 2020/21 Budget

# Explaining the Budget Approval Cycle

As per the School Act (Sec 113), School Districts are required to file a balanced budget by June 30 each year.

So why does SD43 need to complete the budget process in April?

- Funding for next year not announced until March 15<sup>th</sup>
- Time required to prepare draft preliminary budget to align with the provided funding.
- SD43 has contractual obligations that stipulate a 60 day notification period to meet certain commitments. (required for staffing layoff notification).
- As an outcome, the public presentation of the budget, the subsequent discussion, public comments, and final Board approval is squeezed into the month of April.

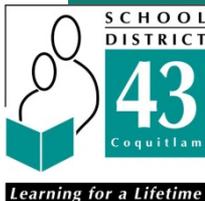
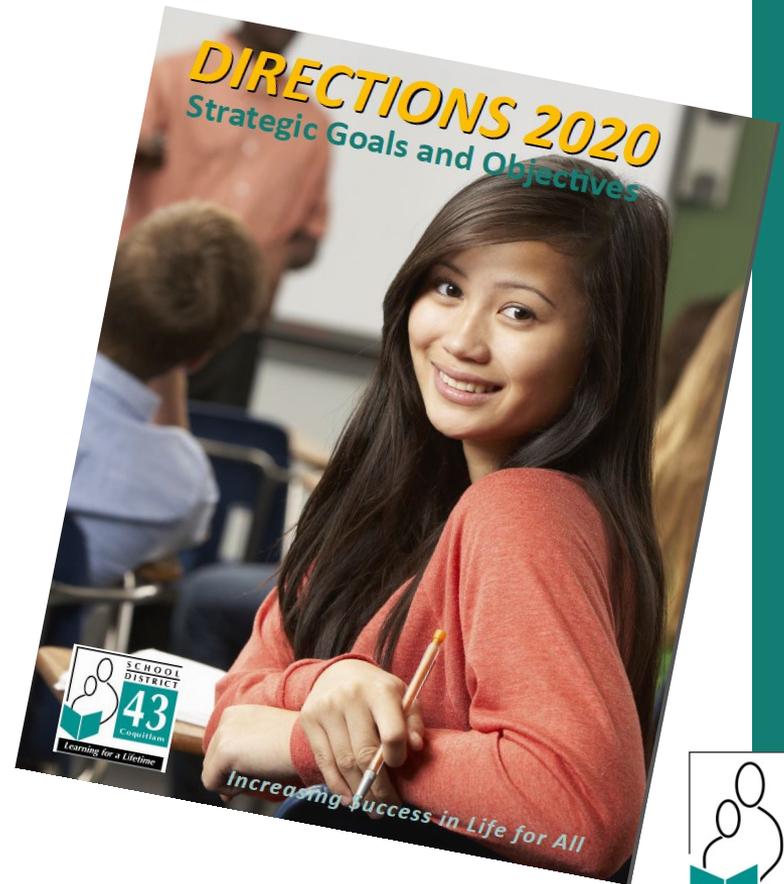


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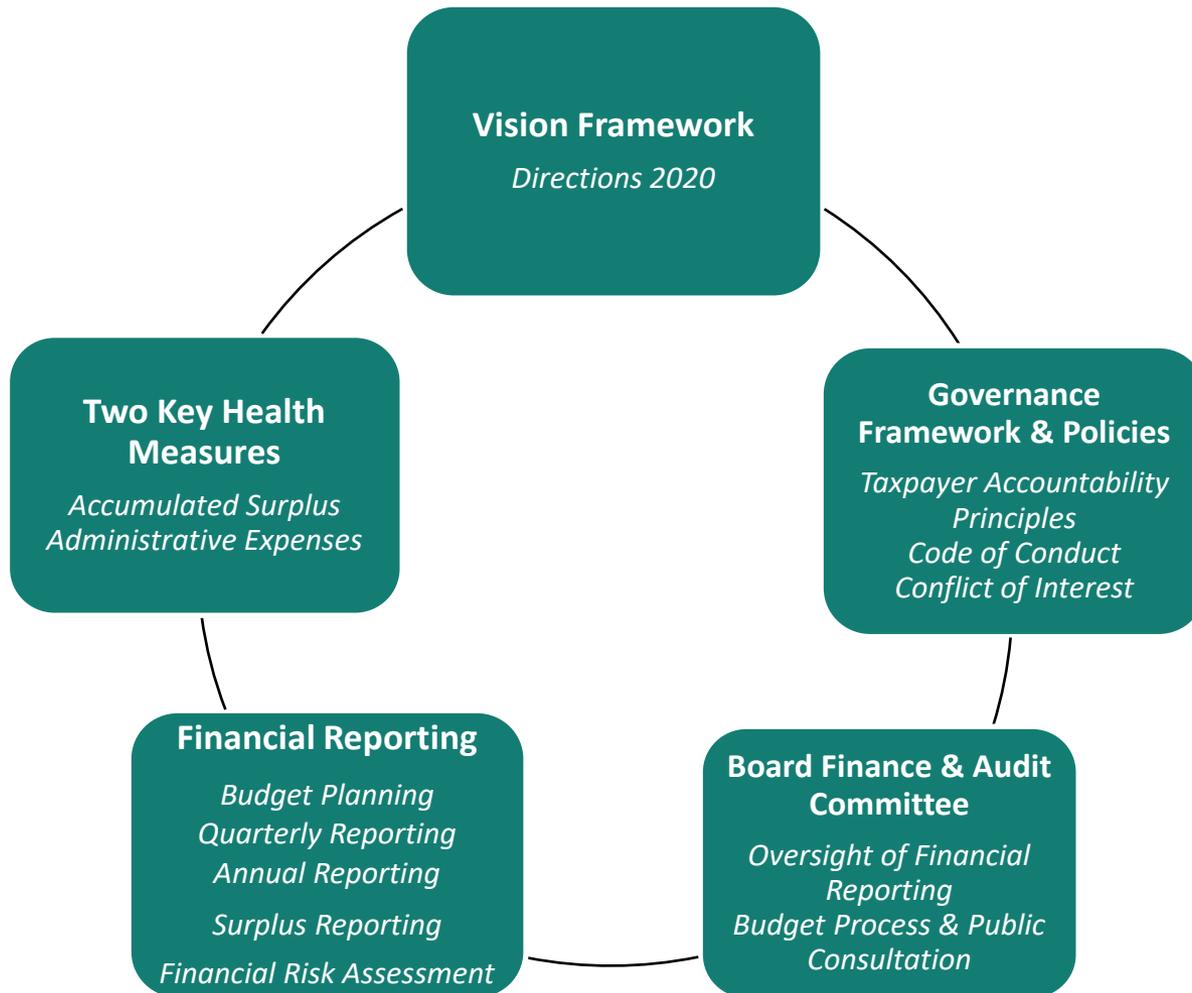
# Directions 2020

Financial framework is guided by our *Directions 2020* goals and objectives:

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



# Financial Governance Framework



# Financial Statement Discussion & Analysis

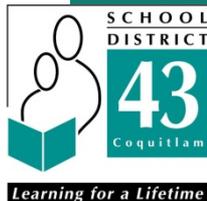
We have increased the level of transparency with more detailed and open discussion of our financial outcomes, explaining variances to budget and projecting expected outcomes for the year.

The quarterly financial report has also been standardized.



# 2019-20 Staffing Increments

- The Superintendent provided, in detail, our School District's achievements against our *Directions 2020* Strategic Plan
- Additional positions added during the year as funding levels were confirmed and additional student needs defined:
  - Teaching positions increase of +17.15 FTE including CEF funded positions.
  - Education Assistants increase of +7.0 FTE
- This was accomplished in an environment in which a funding shortfall for labour agreement settlements and the employer health tax, totaled \$1.2 million
- Provided additional resources (equipment, supplies, and release time)



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# Operating Staffing Ratios 19/20

## School District vs Provincial Average

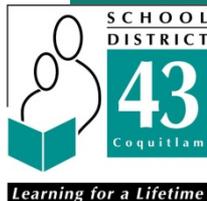


Staffing Comparison	Coquitlam Staff (full-time equivalent)	Provincial Average (student: staff member)	Coquitlam (student: staff member)	Variance	Variance Prior Year
Teachers	1,809.25	17.56	17.07	2.79%	2.68%
Principals & Vice-Principals	124.50	202.64	248.10	-22.44%	-21.86%
Other Professionals	69.00	289.32	447.66	-54.73%	-56.53%
Support Staff	527.10	49.51	58.60	-18.36%	-18.05%
Educational Assistants	545.94	46.43	56.58	-21.86%	-26.34%
All Staff	3,075.79	9.34	10.04	-7.52%	-8.08%

# Budget Process Consultation Guide



The Consultation Guide provides information related to budget planning, the governance principles under which budgets are developed, and some general background information.



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# 2020-21 Budget Consultation

- Prior to Developing the 2020/21 Budget, the Board invited stakeholder groups (CTA, CUPE, CPVPA, DPAC) to meet with them and listen to their concerns, receive information and share this feedback with senior management.
- New this year, was a special public meeting in February 2020 to receive stakeholder and public input to help shape the 2020/21 budget.
- Summary of Stakeholder Comments
  - Refer to this through the year
  - When aligned with our vision and resources, incorporate them into our financial plan

# Budget Process & Assumptions

- What we heard and how we have responded -

We heard your comments and when aligned with our vision and resources have incorporated them into our financial plan.



## BOARD OF EDUCATION Budget Stakeholder and Partner Group Meetings Summary 2020/21

Related	Partner Group	Stakeholder	Budgetary Request - What we Heard	How we Responded
<b>Teachers - Non Enrolling/Learning Services</b>				
1	CTA	CTA	If funds are available, consider adding more tier one support in schools: Counsellors, Learning assistance Teachers, Language Teachers, and Skill Development (non-enrolling teachers)	Non enrolling teachers ratios are established in the teacher collective agreement as restored by MOUR17. SD43 continues to provide incremental non-enrolling teachers through International Education as funding permits. There is a lack of flexibility due to class size and composition requirements within the collective agreement.
2	CTA	CTA	Increase staff for Inclusion Support Team - 1.0 Teacher, 1.0 Youth Worker, 2.0 Education Assistant	Incremental resources have been placed into several high incident elementary schools along with mentoring of teachers to provide various techniques to deal with student incidents. As part of the Service Improvement allocation agreement with CUPE, increased positions included: 1 District EA Facilitator, 30 IBS positions (Inclusion Support Team) and 21 EA positions at Secondary schools from 30 to 35 hours. The increase in hours on the IST will allow for more support from the IST team. The increase in hours at the Secondary schools will allow EA's to assist with Transition skills after high school including work experience.
3	OPVPA	OPVPA	Provide targeted staffing to help deal with students with anxiety and those struggling at the grades 9 and 10 where they are too young to go to CBE.	Incremental resources are being deployed as financial considerations permit. We are working closely with and in support of outside providers to secure additional support from Provincial Ministries.
4	OPVPA	OPVPA	Additional Learning Supports (Counsellors, YW, EA's) to address challenging environments at the Elementary and Middle levels.	Non enrolling teachers ratios are established in the teacher collective agreement as restored by MOUR17. SD43 continues to provide incremental support through International Education as funding permits. During the 2019/20 budget process, 10 FTE teachers were added to Middle Schools to support the curriculum changes, 10 EA positions and 26 LSW positions which we believe addressed aspects of this concern. Another 8 EA positions were also added during the current year.

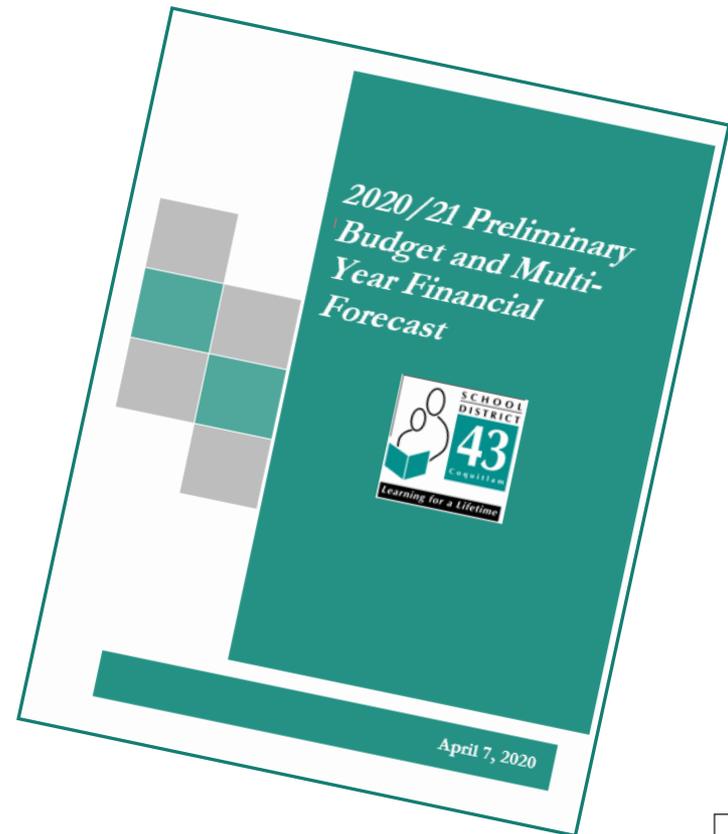


# 2020/21 Preliminary Budget

The details and assumptions are documented in our published '2020/21 Preliminary Budget and Multi-Year Financial Forecast' document.

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

Our budget development is guided by *Directions 2020*



# 2020/21 Budget Deliberations

- The School District receives no funds to address inflationary costs other than contractual salary increments.
- The majority of expenditure increases are due to contractual, legislative, inflationary or regulatory requirements.
- Continued attention to identifying and investing in operating efficiencies and risk areas – as noted previously – provides an important focus for ongoing sustainability.
- Most of the budget is prescriptive which means less discretion for local boards and school districts

# Operating Budget Grant Funding

- Student enrolment is expected to increase by 62 students
- Increase in Students with unique needs (SPED +87, ELL +43, Indigenous -36)
- Base Grant Funding increased by \$92 per student, from \$7,468 to \$7,560.
- Base Grant Funding increase DID NOT not adequately cover:
  - contractual wage increases for support staff,
  - employer health tax
  - and service improvement allocation for support staff
- Reduced Supplemental Funding for:
  - Vulnerable students - reduced by 18%
  - Education Plan – reduced by 55%
  - Classroom enhancement overhead funding reduced by 11%
- Net result: TOTAL Grant Underfunding of \$2.5 million



# Operating Budget Expenses

## Salaries

- Support staff salaries and wages have been increased consistent with collective agreement requirements
- A salary increment provision has been budgeted for Excluded and Administrative Staff.

## Benefits

- Benefit claims costs are escalating at over 10% annually requiring significantly more funding than in past years.

## Services and Supplies

- There has been no allowance to increase existing budgets
- Continue to retain contingency reserve of \$500k



# Operating Budget – Staffing

Staffing implications from inadequate grant funding and the impact of the COVID-19 Pandemic on International Education enrolment results in;

- A net reduction of 37 FTE teaching positions after 25 teaching positions are absorbed into the Classroom Enhancement Fund.
  - This is a calculated risk as funding is not confirmed until December 2020 and only 90% of the 2019/20 budget is advanced.
- An increase of 10 FTE Education Assistants and Learning Inclusion Support Workers which recognizes the increase in students with special needs.
- A small provision for a head teacher at Leigh Elementary as we transition for an Administrator at Sheffield Elementary.

# Operating Budget Staffing

Staffing Category	Preliminary 2019/20	Amended 2019/20	Preliminary 2020/21	Variance	Comment
	FTE	FTE	FTE	FTE	
Teachers	1,593.11	1,596.95	1,596.95	0.00	No additional positions added
Teachers - Interim Staffing	21.80	21.80	1.66	(20.14)	Grant underfunding with a shift to CEF
Student Services Teachers	57.40	58.70	58.70	0.00	No additional positions added
Teachers - Int. Ed	132.00	122.00	80.00	(42.00)	Decrease due to COVID-19 impact
Support Staff	545.09	544.37	544.37	0.00	No additional positions added
Educational Assistants & Youth Workers	518.94	525.94	530.94	5.00	Increase in Students with Special Needs
Learning Inclusion Support Workers	26.00	26.00	31.00	5.00	Increase in Students with Special Needs
Administration	124.50	124.50	124.50	0.00	No additional positions added
Other Professionals	69.00	69.00	69.00	0.00	No additional positions added
<b>Total</b>	<b>3,087.84</b>	<b>3,089.26</b>	<b>3,037.12</b>	<b>(52.14)</b>	

# Operating Budget Summary

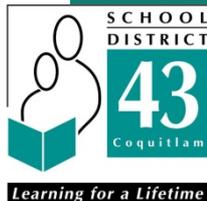
in ('000s)	2019/2020 Amended Budget	2020/2021 Preliminary Budget	Variance
Operating Grant - MOE	283,930	289,122	5,191
Adjustment to MOE Grant		(355)	(355)
Other Ministry of Education Grants	5,896	2,265	(3,631)
Other Fees and Revenue	35,971	29,394	(6,577)
<b>Total - Revenue</b>	<b>325,797</b>	<b>320,426</b>	<b>(5,372)</b>
Salaries - Teachers	147,670	143,113	(4,556)
Salaries - Administrators	15,715	16,385	671
Salaries - Educational Assistants	21,250	22,074	823
Salaries - Support Staff	26,434	27,084	651
Salaries - Other Professionals	6,996	7,156	160
Salaries - Substitutes	9,490	9,362	(128)
Benefits	68,373	65,584	(2,789)
<b>Total - Salaries and Benefits</b>	<b>295,928</b>	<b>290,759</b>	<b>(5,168)</b>
Services	9,327	9,255	(72)
Student Transportation	431	431	-
Supplies	10,098	9,909	(190)
Utilities	5,262	5,262	-
Insurance/ Leases/Fees/Prof Development	6,393	6,030	(362)
<b>Total - Supplies and Services</b>	<b>31,511</b>	<b>30,887</b>	<b>(624)</b>
<b>Total - Expenses</b>	<b>327,439</b>	<b>321,647</b>	<b>(5,792)</b>
<b>Total - Current Period Surplus/ (Deficit)</b>	<b>(1,642)</b>	<b>(1,221)</b>	<b>421</b>

# Operating Budget Summary

in ('000s)	2019/2020 Amended Budget	2020/2021 Preliminary Budget	Variance
<b>Total - Revenue</b>	<b>325,797</b>	<b>320,426</b>	<b>(5,372)</b>
Total Salaries	227,555	225,176	(2,379)
Total Benefits	68,373	65,584	(2,789)
Total Services and Supplies	31,511	30,887	(624)
<b>Total -Expenses</b>	<b>327,439</b>	<b>321,647</b>	<b>(5,792)</b>
<b>Total - Current Period Surplus/ (Deficit)</b>	<b>(1,642)</b>	<b>(1,221)</b>	<b>421</b>
Transfer to Capital Account	(2,500)	(2,500)	-
Accumulated Surplus - 2015/16	1,393		(1,393)
Accumulated Surplus - 2016/17	1,949		(1,949)
Accumulated Surplus - 2017/18	800	1,426	626
Accumulated Surplus - 2018/19		1,695	1,695
Accumulated Surplus - 2019/20 (estimated)		600	600
<b>Budgeted Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Operating Budget Summary

- Funding Priorities supporting Student Success;
  - Regulatory and Statutory requirements (primarily benefits)
  - Increased support for our most vulnerable learners
- Use of Accumulated Financial Reserves (\$3.721 million)
  - which has mitigated the significant impact of the loss of grant revenues
- Retained current level of School Supply funds
- \$500,000 emergent issue reserve



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# Special Purpose Funds

## Special Purpose funds include:

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

# Classroom Enhancement Fund

Description	2018/19		2019/20		2020/21		Variance	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Teachers	181.00	18,724,080	234.04	25,443,071	259.03	28,052,206	25.00	2,609,135
TTOC's		616,598		877,644		971,378	-	93,734
Ed. Assistants	23.00	1,010,379	33.00	1,595,039	33.00	1,649,769	-	54,730
Administrators	9.00	873,283		521,149		270,394	-	(250,755)
Other Staffing	3.00	318,476	1.00	168,436	1.00	178,249	-	9,813
Other Expenses		459,908		177,069		96,000	-	(81,069)
Remedy Costs		2,154,619		1,796,544		1,796,544	-	0
<b>Total</b>	<b>216.00</b>	<b>24,157,343</b>	<b>268.04</b>	<b>30,578,952</b>	<b>293.03</b>	<b>33,014,539</b>	<b>25.00</b>	<b>2,435,587</b>



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# Capital 2020/21

Our Capital Budget incorporates the following key elements:

- Net Budget Changes to Investment in Tangible Capital Assets
- Construction funding for Centennial Secondary, Minnehada Middle, Irvine Elementary and Sheffield
- Continued MOA#17 best efforts:
  - Classroom additions at Charles Best Secondary (6 classrooms) Westwood Elementary (4 classrooms) Panorama Heights Elementary (4 classrooms) and various other space to classroom conversion
- Planning for Moody Elementary, Montgomery, and the Education Learning Center (ELC)
- Annual Facility Grant



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# Risks Factors

- COVID-19
- Funding Adequacy
  - Realized and absorbing ongoing grant underfunding
  - Classroom Enhancement Fund
  - Grant Funding Model Implementation Phase II Impacts
  - Capital Funds
  - Inflation
    - Escalating Benefit claims costs
- International Education Revenues

# Multi-Year Forecast

- We have provided a multi-year financial forecast in alignment with *Directions 2020*.
  - The assumptions, graphs, and projections are discussed in more detail in our Report.
- Key takeaway - The Financial Outlook remains positive.
- The unknown risks to our multi-year plan forecast primarily relate to Phase II of the Funding Model Review

# 2020/21 Budget Outcomes

- Balanced the multiple interests of all stakeholders
- Maintaining a financially healthy and sustainable school district
- Limiting the impact of reduced grant funding
- Financial Stability through Accumulated Financial Reserves
- Supporting our most Vulnerable Learners
- Maximizing Resources for Student Success

# Student Success

