

School District No. 43 (Coquitlam)

2016/2017

Budget Presentation

'A stable and incremental budget'

April 12, 2016

Presentation Agenda

1. District Profile and Achievements
2. Types of Budgets
3. Operational Budget Funding – how we are funded and funding for 2016/17
4. Operational Budget Expenses – how we spend our funding
5. 2016/17 Proposed Budget
 - Significant influences
6. Future Opportunities

Key Budget Schedule

- February 16 – Provincial Budget announcement
- March 11 – Ministry announcement of 2016/17 preliminary operating grant
- April 4 – Incremental supplemental funding announcement
- April 12 – Public Budget Meeting and Open House
- April 14 – Twitter Chat
- April 19 – Public Budget Meeting
- April 26 – Board approval of the Budget

About School District No. 43 (SD43)

- Serves the communities of Coquitlam, Port Coquitlam, Port Moody, Anmore and Belcarra.
- Contains 5.8% of provincial enrolment, which is approximately 31,000 students.
- 3rd largest school district in the province.
- Schools
 - *45 Elementary*
 - *14 Middle*
 - *10 Secondary (inc. CAFE)*
 - *Other alternate and alternative schools*

SD43 Program Delivery

The Coquitlam School District has embraced individualized learning through expanded programs of choice and alternative educational offerings including;

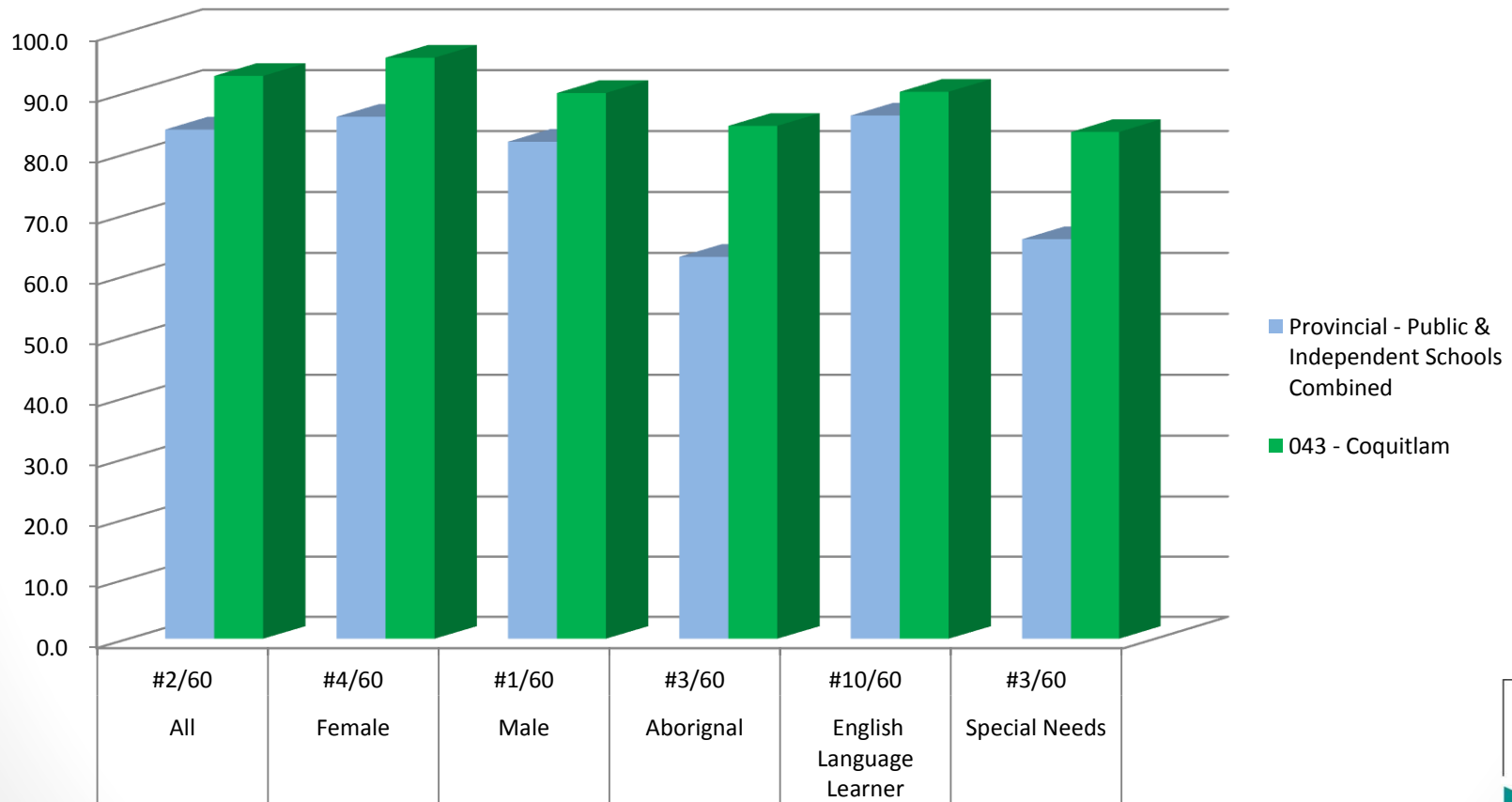
International Baccalaureate	Internationally recognized university-level course credit program
Montessori	Programs throughout the district place emphasis on individual student choice in learning
Reggio	Encourages children and their teachers to explore, question, discover
Coquitlam Open Learning	Online and blended secondary-level courses leading to graduation
Inquiry Hub	Challenges secondary students to frame learning activities around inquiry questions by blending online and classroom activities
Suwa'lkh	Culturally relevant curriculum to support Aboriginal and non-Aboriginal students through unique learning opportunities
Encompass	K-9 and 10-12 program options blending home and school-based learning opportunities
SWIS	School-based settlement services for families new to Canada
Continuing Education	Adult course offerings leading to graduation or post-secondary
ELSA	English Language Services for Adults
Language Alternatives	French, Mandarin and other language programs

SD43 Successes

- Consistently rated as one of the best districts in the province.
- Leads most BC districts in most student outcomes categories.
- #1 graduation rate overall when rated against all Metro Vancouver districts.
- # 2 graduation rate when rated against all BC school districts provincial-wide.
- Overall graduation rate nearly 10% higher than the Provincial average.
- One of the largest international education programs in Canada.
- Students and employees have won numerous awards.
- Many great stories of student success – academic, social, personal, arts, and athletic.
- The following graph reflects our student performance and ranking in all provincial measured areas against all 60 school districts.

Achievement Levels

Student achievement results (6 year graduation results) show performance significantly above provincial norms on almost every measure. Our goals are focused on helping our students to acquire a series of attributes to help prepare them for the uncertainty of life in the 21st Century. These include helping students to become: Learners, Thinkers, Innovators, Collaborators, Contributors.



Types of Budgets

Operating Budget



- Learning
- Teaching
- Programs
- Administration

Capital Budget



- Buildings
- Fields
- Infrastructure

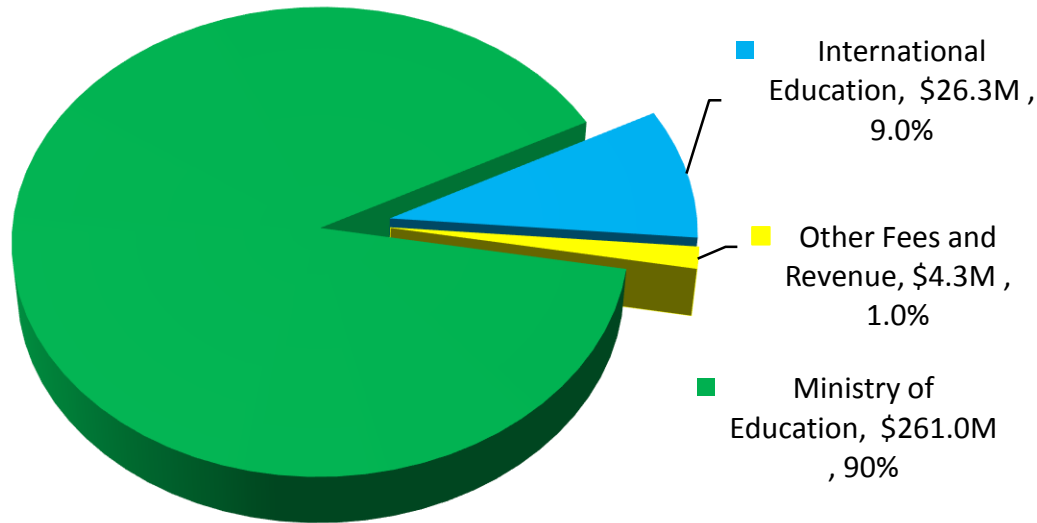
Special Purpose Funds



- Specific time frame
(ex. 12 month, 24 month)
- Specific function
- Examples:
 - Learning Improvement Fund
 - Annual Facilities Grant
 - Community Link

2015/16 Budgeted Revenues (as amended)

- The vast majority of school funding comes from provincial grants through the Ministry of Education.

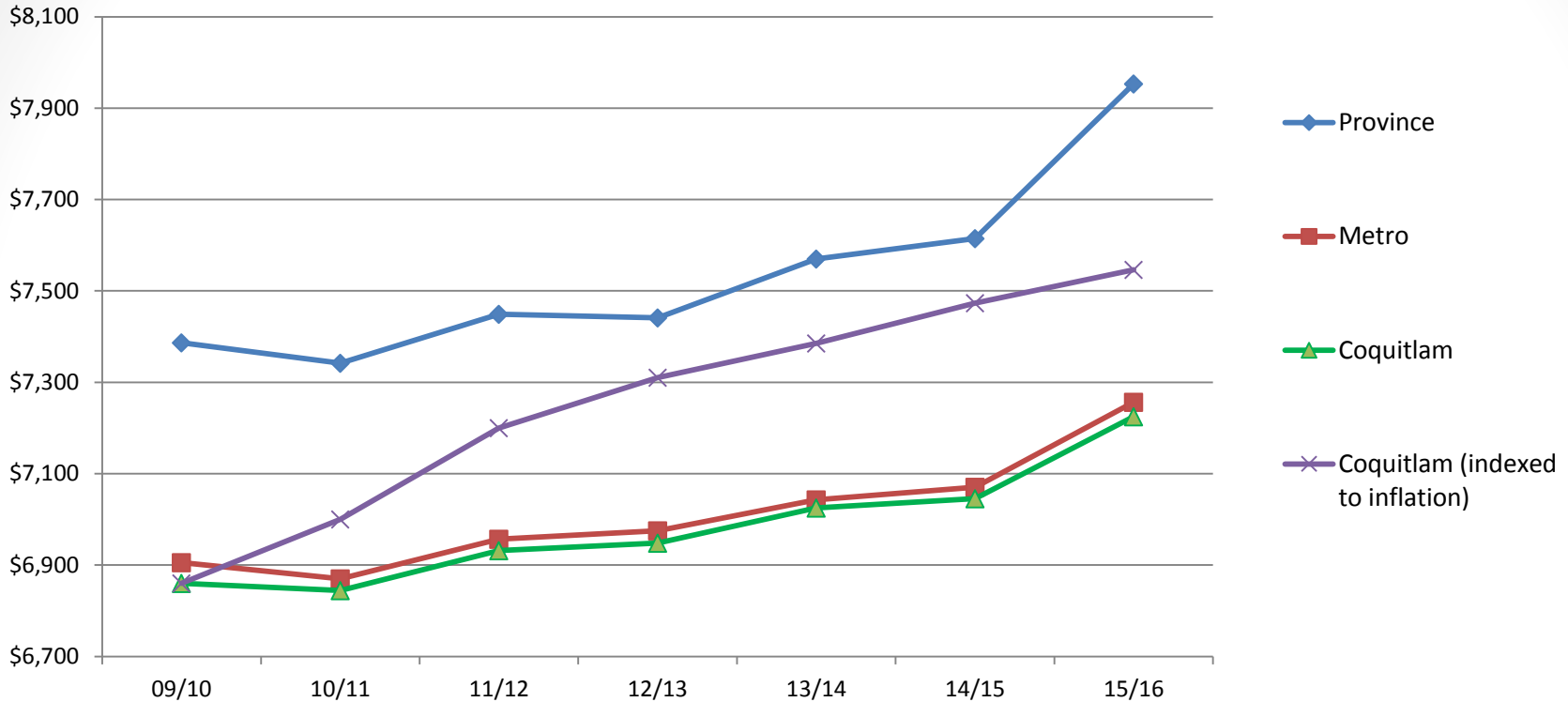


- The Coquitlam School District derives additional revenue from a strong international education program and other revenue initiatives.

Provincial Funding

- The base student operating grant for 2016/17 will be increased from \$7,158 to \$7,218 or \$60 per student.
- This increase provides for full funding of labor settlements and the economic stability dividend for Coquitlam, as well as partial funding for the Next Generation Network (NGN).
- 26 school districts are reporting declining enrolment and/or qualify for funding protection. This totals over \$22 million in supplemental support for these school districts and Coquitlam is not given any of these funds.
- While well down from prior years this still translates to “redistributing” \$1.2M from Coquitlam for the 2016/17 year, to school districts that qualify for funding protection.

Rates of Funding & Inflation



When comparing total grants*
Coquitlam falls far short of the
Provincial average.

Per Student Average	2014/15	2015/16	% Inc
Provincial	\$ 7,614	\$ 7,953	4.45%
Coquitlam	<u>7,045</u>	<u>7,225</u>	2.55%
Variance	569	728	

*Excludes special student needs and teacher salary differential from the student grant calculation.

Rates of Funding & Inflation

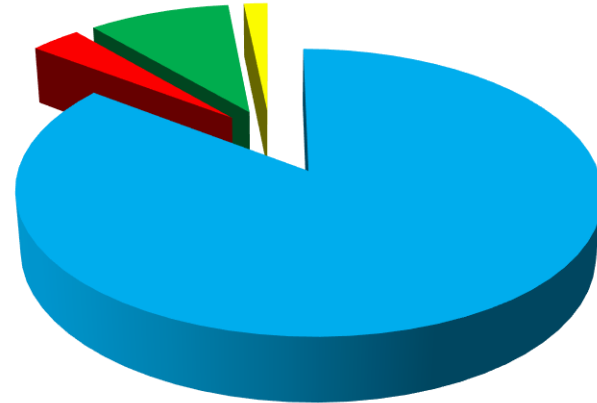
- For 2015/16, Coquitlam will receive \$7,225 per student in total grant funding *
- If total grants had kept up with inflation since 2009/10, Coquitlam would have received \$7,546 per student.
- The difference of \$321 per student for 2015/16 between what is expected and the amount adjusted for inflation is significant. Considering a student population of approximately 31,000 students, this equates to a funding shortfall of **\$10 million**.
- Coquitlam ranks **58th** in funding out of 60 school districts

**Excludes special student needs and teacher salary differential from the student grant calculation.*

School District Operating Spending

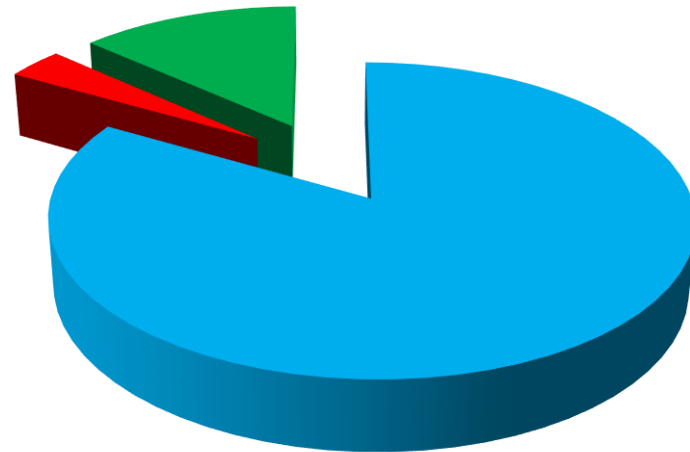
Coquitlam

- Instruction 85.37%
- Administration 3.43%
- Operations, Maintenance & Transportation 9.59%
- Debt Retirement 1.60%



Province

- Instruction 83.25%
- Administration 3.41%
- Operations, Maintenance & Transportation 13.34%

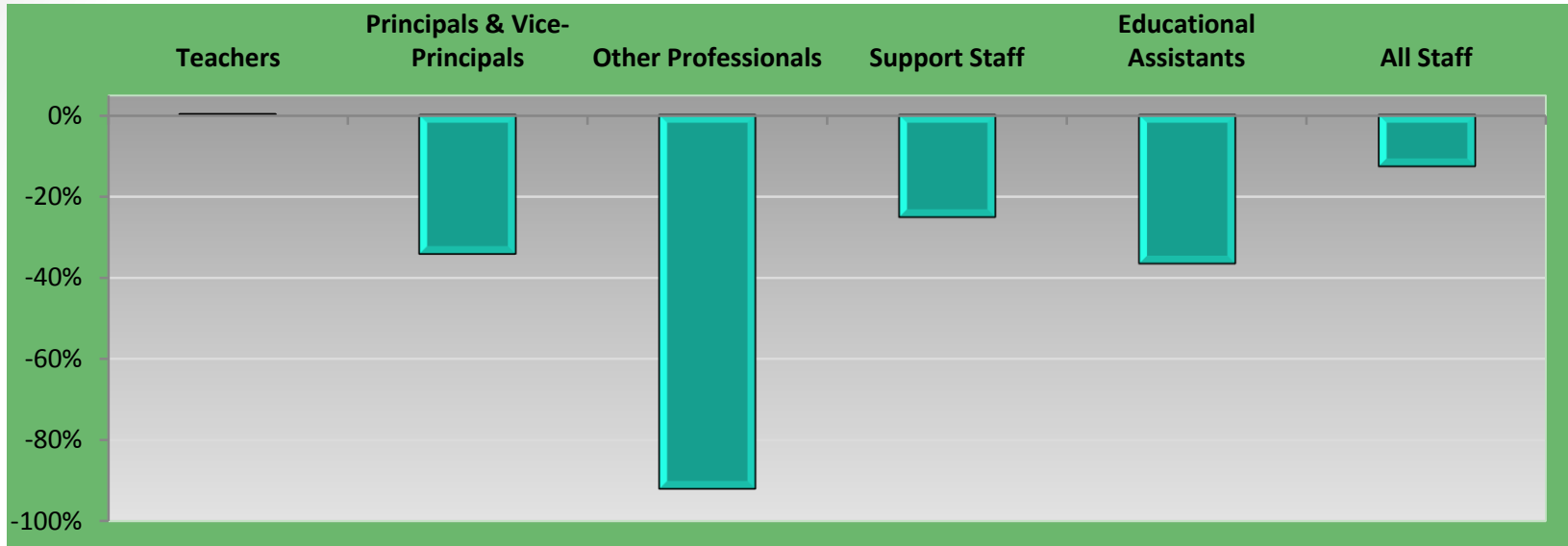


Placing Instruction First

- The District spends more of its budget on Instruction compared to the provincial average across all School Districts as reflected in the previous slide.
- Based upon the Preliminary Budget for 2015/16, Coquitlam spends 2.12% more on instruction which results in less spending on operations and maintenance.
- The Coquitlam School District's long standing commitment to protecting learning in the classroom is further evidenced by looking at where we spend our staffing dollars.
- The District is staffed significantly under the provincial average in all categories except teachers.

Staffing Ratios

School District vs Provincial Average



Staffing Comparison	Coquitlam Staff (Full-time equivalent)	Provincial Average (student: staff member)	Coquitlam (Student: staff member)	Variance
Teachers	1,733.92	17.70	17.66	0.21%
Principals & Vice-Principals	110.50	206.76	277.11	-34.03%
Other Professionals (HR, excluded management and staff, Trustees)	49.50	322.44	618.59	-91.85%
Support Staff	497.57	49.24	61.54	-24.99%
Educational Assistants	403.64	55.61	75.86	-36.42%
All Staff	2,795.13	9.73	10.95	-12.55%

Salary vs Non-salary Budget

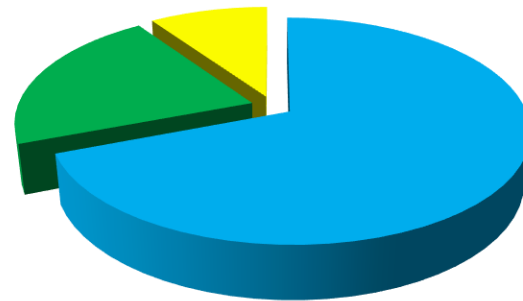
- The vast majority of the Coquitlam School District's operating budget, 91.1%, is spent on salary and related benefit costs. This is higher than the provincial average of 88.7%.
- School districts have different benefit packages. The Coquitlam School District is required to spend 21.6% of its operating budget on benefits compared to the provincial average of 18.0%.
- The Coquitlam School District spends 8.92% of its operating budget on non-salary (ex. supplies, transport, etc.) as compared to the provincial average of 11.3%.

Operating Expenditures

2015/16 Amended Budget

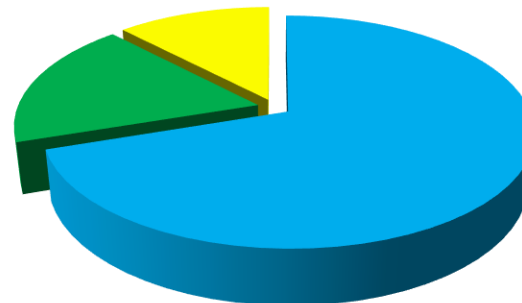
Coquitlam

- Salaries 69.16%
- Employee Benefits 21.26%
- Supplies & Services 9.58%



Provincial Average

- Salaries 69.86%
- Employee Benefits 17.99%
- Supplies & Services 12.16%



2015/16 Achievements

- Operating Debt repayment was accelerated and will reduce this liability to less than \$2.5 M at the end of the school year.
- Administrative Savings of \$1.5m was achieved.
- Record International Education enrolment and revenues.
- Staffing was augmented as funding levels were confirmed.
- Rental Revenues were enhanced through the engagement of a rental coordinator position.
- Investment Revenues were improved.
- An Information Systems review was initiated to enable the development of a multi year program to support to schools.
- Energy Infrastructure improvements and shared service initiatives provide for reduced expenditures.

2016/17 Budget

'Stable and Incremental'

Within a framework of a financially stable and sustainable outlook, our focus is:

Additive resources to enhance student learning.

- Supporting the implementation of the transformative curriculum.
- Providing a safe, supportive, and caring environment.
- Continuing to support organizational efficiencies.

2016/17 Budget Considerations

- The Coquitlam School District continues to face rising costs while grant funding does not maintain pace to offset many of these cost pressures.
- The majority of expenditure increases are required due to contractual, legislative, inflationary, or regulatory requirements.
- The reduction in required teacher pension plan payments provides the major source of funds to increment stable educational staffing over a multi-year period.

2016/17 Budget Considerations

- The Budget has been adjusted to include labour wage contractual increases and related benefit increases including provisions for exempt employee increases.
- A provision of \$2.9 million (an increment of \$1.4 million over the prior year) has been absorbed related to required administrative savings.
- 2015/16 was yet again a banner year for International Education enrolment and profitability. We have exercised prudence by resetting 2016/17 to a softer trend pattern.
- Continued attention to identifying and investing in operating efficiencies provides an important source for sustainability.

Operating Budget Summary

(in ,000's)	<u>2015/2016</u> <u>Amended Budget</u>	<u>2016/2017</u> <u>Preliminary Budget</u>	<u>Variance</u>
Operating Grant	260,999	261,970	971
Other Fees and Revenue	30,546	27,334	(3,212)
Total - Revenue	291,546	289,304	(2,242)
Salaries	199,632	201,338	1,706
Benefits	61,363	59,503	(1,861)
Total - Salaries and Benefits	260,995	260,840	(155)
Services	6,685	7,579	893
Student Transportation	431	431	
Supplies	9,156	9,020	(136)
Utilities	5,483	5,485	2
Insurance/ Leases/Fees/Prof Development	5,900	5,254	(646)
Total - Supplies and Services	27,655	27,768	113
Total - Expenses	288,650	288,609	(41)
Total - Current Period Surplus/ (Deficit)	2,895	695	(2,200)
Transfer to Capital Account	(945)	(295)	650
Holdback Used /(Retained)	1,553		(1,553)
Budgeted Prior Period Appropriation	800	1,350	550
Debt/Unfunded Liability Payment	(4,698)	(1,750)	2,948
School Supply Budget Used / (Retained)	395		(395)
Variance to Breakeven	-	-	-

Operating Budget Summary

- The proposed 2016/17 budget provides for operating debt repayment of \$1.25M (approximately half the remaining debt balance).
- There is a preliminary projected excess of revenues over expenditures for the 2015/16 year of less than 2%, or approximately \$2.5M.
 - The majority of these funds will be allocated over three years to provide multi year educational stability with \$550,000 utilized in 2016/17.
- There are no holdback funds anticipated from the 2015/16 year and no holdback funds have been budgeted.
- Unused School Supply funds are expected to remain relatively constant.

Operating Budget Staffing

Staffing Category	Preliminary 2015/16 Staffing	Amended 2015/16 Staffing	Preliminary 2016/17 Staffing	Variance	Comment
Teachers (excl International Ed)	1,600.95	1,624.18	1,622.41	(1.77)	• Reduction in Student Enrolment = (8.77) Increased Staffing = +7.00
Teachers - (Interim staffing)	5.00	5.00	5.00	-	• Staffing lift to be reviewed annually
Teachers - (SLP/TL/Psychologist)	4.00	4.00	7.00	3.00	• Specialty support to Students
Teachers - International Ed	72.21	100.74	80.30	(20.44)	• Reset to normal enrolment trend Additional staffing will be provided as enrolment requires
Teachers – Funded by International Ed	-	-	4.57	4.57	• Incremental teachers funded by IE
Support Staff	483.29	497.57	501.59	4.02	• 16 - 1 hour Noon Hour Supervision HVAC Maintenance Position
Educational Assistants & Youth Workers	381.96	400.14	404.04	3.90	• Includes 1.5 YW's transferred from CommunityLink
Administration	109.50	110.50	113.50	3.00	• Vice Principal increments at several schools
Other Professionals	46.50	49.50	50.50	1.00	• IT Coordinator position

Other Budgeted Programs

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

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

Looking Forward

Operational Efficiencies

To meet the requirement for additional Administrative savings and continue to identify operational efficiencies, the following initiatives will continue:

- Rental Enhancement
- Energy Efficiencies
- WorkSafeBC Program Enhancement
- Enhancing Investment Returns
- Educational Program Efficiencies
- Technology Initiatives
- and others

2016/17 Budget Outcomes

'a stable and incremental budget'

- We have faced two very difficult financial years prior to the status quo budget of 2015/16 as financial stability was secured.
- We have balanced the multiple interests of all stakeholders with the need to maintain a balanced budget under the *School Act* while continuing to eliminate our debt.
- Building and maintaining a sustainable school district for years to come involves making some very difficult choices and decisions in an environment in which funding does not keep up with inflation.
- The 2016/17 budget begins to provide incremental resource support to further enhance student learning while maintaining a financially stable and sustainable education system for the long term.

Thank you!

