

School District No. 43 (Coquitlam)

2017/2018 Budget Presentation

'A healthy, stable, and sustainable budget'

April 11, 2017

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Presentation Agenda

1. Background Information
2. Directions 2020
3. 2016/17 Achievements
4. 2017/18 Proposed Budget
 - Significant Influences
 - Considerations
 - Staffing Levels
5. Looking Forward

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Background Information

As the focus is on the 2017/18 budget we have placed the following background information on the School District website:

- District Profile and Achievements
- District Success Stories
- Types of Budgets
- 2016/17 Operational Budget Funding
- 2016/17 Operational Budget Expenses

These are not being reviewed in any significant detail in this presentation.

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Key Budget Dates

- February 21 – Provincial Budget announcement
- March 15 – Ministry announcement of 2017/18 preliminary operating grant
- March 24 – Ministry announcement of 2017/18 Classroom Enhancement Fund details
- April 11 – Public Budget Meeting and Open House
- April 18 – Public Budget Meeting
- April 25 – Public Budget Meeting and Board Approval of the Budget

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Directions 2020

'Stable and Sustainable'

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

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

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2016/17 Achievements

Goal 1 – *Achieve Student Success*

- Added teacher staffing, education assistants, and administrator resources as funding levels were confirmed and additional student needs defined
- Implemented the majority of the recommendations that came from the Education Assistant efficiency review
- Executed on the multi-year initiative of implementing the new revised curriculum which includes:
 - Communicating student learning outcomes;
 - Improving the quality of educational services and student engagement;
 - Providing 'safety nets' to identify and assist vulnerable learners; and
 - Professional development opportunities.

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2016/17 Achievements

Goal 2 – *Enhance Learning Through Technology*

- Established a comprehensive professional development program providing a wide variety of educational technology training experiences for teachers with ongoing support from four technology teachers
- Placed focus on the development of coding initiatives at all three levels that expose students to analytical thinking using technology
- Substantially increased the number of pilot projects to build organizational capacity supporting the integration of technology in the classroom
- Developed both district level and school level multi-year technology plans including centralized provisioning of teacher laptops, student device subsidy initiatives and district wide wireless infrastructure upgrades
- Initiated teacher training and community training opportunities using the updated digital citizenship teacher support site, parent presentations and Professional Day events to increase community awareness and knowledge

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2016/17 Achievements

Goal 3 – *Foster a Sustainable Educational Organization*

- **Accelerated the repayment of the Operating Debt whereby the debt and the liability will be fully eliminated by the end of the current school year (June 30, 2017)**
- Achieved aggregate Administrative Savings of \$2.9M
- Attained record International Education enrolment and revenues
- Enhanced Investment Revenues
- Reduced utility expenditures through Energy Infrastructure improvements and shared service initiatives
- Adopted a multi-year financial plan which provides a stable funding source to address deferred maintenance (as recommended by the auditor general) and a funding source to ensure educational technology support for schools

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2017/18 Budget Consultation

- Prior to developing the 2017/18 budget, the Board met with each of the five stakeholder groups (CTA, CUPE, CPVPA, CMG, DPAC) to listen to their concerns, receive information and share the feedback with senior management.
- In an effort to provide value added information to the Board and the public, senior management provided a series of presentations on a variety of topics that had been highlighted over the preceding year including:
 - Learning Services
 - Music Programs
 - Counselling Framework
 - Substitute Reporting
 - Maintenance Department
 - EA Review progress
 - Trades and Transition Programs
 - Student Learning Framework
 - Aboriginal Education
 - Technology Educational Initiatives

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2017/18 Budget Deliberations

- The budget has been prepared on the basis that it can be sustainable over multiple years.
- Rising cost pressures continues to outpace grant funding provisions. The School District receives no funds to address inflationary costs other than contractual salary increments.
- The majority of the increases in expenditures are due to contractual, legislative, inflationary or regulatory requirements.

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2017/18 Budget Deliberations

- The budget has been adjusted to include contractual increases for wages and related benefit costs as well as provisions for salary increases for exempt staff
- 2016/17 was yet again a banner year for International Education enrolment and profitability. We have exercised prudence by resetting 2017/18 to a softer trend pattern
- Continued attention to identifying and investing in operating efficiencies provides an important source for ongoing sustainability

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Operating Budget Summary

- The designated accumulated operating surplus of \$2.2M is incorporated into the 2017/18 proposed budget as per the Board's multi-year stabilization direction
- Retained School Supply funds (to be carried forward) are expected to remain relatively constant
- Funds released from the elimination of debt repayment have been invested back into the educational system
- A portion of the anticipated 2016/17 surplus (\$1.2M) has been incorporated into the 2017/18 budget to facilitate the planning of educational requirements at the outset of the year

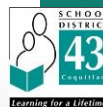
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Operating Budget Summary

(in ,000's)	2016/2017 Amended Budget	2017/2018 Preliminary Budget	Variance
Operating Grant	264,861	266,441	1,579
Other Fees and Revenue	35,611	30,489	(5,122)
Total - Revenue	300,472	296,930	(3,542)
Salaries	206,903	208,244	1,341
Benefits	60,353	59,984	(369)
Total - Salaries and Benefits	267,256	268,228	972
Services	9,428	7,766	(1,662)
Student Transportation	436	431	(5)
Supplies	10,162	10,392	230
Utilities	5,075	5,475	400
Insurance/ Leases/Fees/Prof Development	5,959	5,056	(903)
Total - Supplies and Services	31,060	29,121	(1,939)
Total - Expenses	298,316	297,349	(967)
Total - Current Period Surplus/ (Deficit)	2,156	(419)	(2,575)
Transfer to Capital Account	(295)	(295)	
Tangible Assets Purchased	(1,200)	(1,000)	200
Accumulated Surplus - 2014/15	800	800	
Accumulated Surplus - 2015/16	1,393	1,393	
Accumulated Surplus - 2016/17 (Est)		1,200	1,200
Accrued unfunded EFB reduction	(1,604)	(1,679)	(75)
Debt Elimination	(1,250)		1,250
Variance to Breakeven	-	-	-

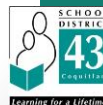
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Operating Budget Staffing

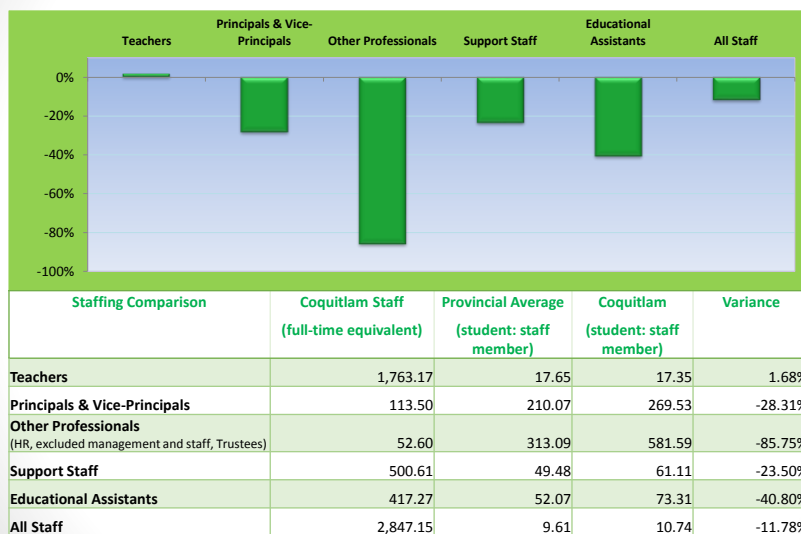
Staffing Category	Preliminary 2016/17 Staffing	Amended 2016/17 Staffing	Preliminary 2017/18 Staffing	Variance	Comment
Teachers (exc International Ed)	1,588.20	1,589.53	1,581.58	(7.95)	Reduction in Student Enrolment = (11.65) Increased Staffing = +3.70
Teachers - (Interim staffing)	5.00	15.00	15.00	-	Staffing lift to be reviewed annually
Student Services Teachers - (SLP/TL/Psychologist)	41.20	43.20	49.20	6.00	Specialty support to Students
Teachers - International Ed	84.87	120.27	97.90	(22.37)	Reset to normal enrolment trend Additional staffing will be provided as enrolment requires
Support Staff	499.59	499.59	501.09	1.50	Includes 0.5 Strong Start transfer and 1.0 Delivery/Grounds position.
Educational Assistants & Youth Workers	404.04	428.77	435.63	6.86	Excludes 2.0 YW's transferred to Community Link
Administration	113.50	113.50	114.50	1.00	Moody Middle VP. Additional Funding for Administrative relief to be determined with CPVPA.
Other Professionals	50.50	53.10	54.00	0.90	HR - Safety Coordinator
Total	2,786.90	2,862.96	2,848.90	(14.06)	

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Staffing Ratios 16/17

School District vs Provincial Average



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Operating Budget Increments

Goal 1 – *Achieve Student Success*

- Incremental student resources:
 - 2 Learning Services Teachers
 - 2 School Psychologists
 - 2 Speech & Language Pathologists
 - 2 Tech Support Teachers
 - 7 additional Education Assistants
- Continuation of Learning Services Vice Principal to support Education Assistants and continuation of the EA study deliverables
- Vice Principal added to Moody Middle School
- Funding provision of \$150,000 to be translated into administrative support for Principals
- Classroom Enhancement Fund has been utilized to support additional teachers, reduced class size, and incremental administrative support.

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Operating Budget Increments

Goal 2 – *Enhance Learning Through Technology*

- Learning Technology replacement initiative funding of \$400,000 of which \$200,000 is sourced from our copier lease cost reduction initiative

Goal 3 – *Foster a Sustainable Educational Organization*

- Continuation of a part-time HR Recruitment Manager
- Added Delivery/Grounds combined position
- Added Safety Coordinator position
- Retention of sustainability funds to support a maintenance department process review and undertake a School District risk management assessment review
- Given the concern of teacher shortages, it is our intention to **NOT** layoff any teachers this year, such that we can maximize retention of our teaching staff

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Looking Forward Operational Efficiencies

To foster a sustainable organization under *Directions 2020*, the following initiatives will continue to be developed:

- Education Assistants – the independent review and resulting recommendations continue to be implemented
- Procurement and Requisition system enhancements are proceeding
- Technology Initiatives have been identified and continue to be introduced
- Attending to deferred maintenance will help to improve the quality and sustainability of our facilities
- A study to review and document Maintenance Department processes and procedures under our continuous improvement objective has commenced

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Classroom Enhancement Fund

- BCPSEA and BCTF have reached an agreement on the restored language arising from the Supreme Court of Canada ruling in November 2016. This has been categorized into 4 areas:
 - Non-Enrolling Teacher Staffing ratios;
 - Class Size Provisions;
 - Class Composition Provisions; and
 - Process and Ancillary Language
- Interim funding was provided for this agreement during 2016/17 and annualized for 2017/18. In addition the Education Fund (EF or LIF) will be repurposed into a Classroom Enhancement Fund.
- Funding totals \$16.9 million and is to be captured as a special purpose fund grant with a Ministry needs based submission deadline of April 28, 2017.
- Required to submit balanced budget and much work continues to be required to fulfill the mandate, including determining the requirement for both physical classroom facilities and incremental (needs based) staffing requirements to implement and manage the agreement. This will continue throughout this next year.

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Classroom Enhancement Fund

Non-Enrolling	T/Librarians	T/Counselors	Learning Assistance	Special Education Resource	English as a Second Language	Total
2016/17 Actual	0	50.34	70.46	131.45	54.71	306.96
Required & Funded	42.70	57.32	69.72	109.81	64.25	343.80
Difference	42.70	6.98	(0.74)	(21.64)	9.54	36.84

CEF Supported Staffing	2016/17	2017/18
Educational Fund	43	n/a
Priorities Measures Funding	65	n/a
CEF Funding – Teachers	n/a	170
		Net addition = 62 FTE \$6.0M in 'new' funds

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Retiree Health Benefits

- The Board and CUPE have been negotiating since July 2016 to stabilize pension costs for its non-teaching employees with a plan to transition to the MPP. These discussions continue.
- In October 2017 the Non-Teaching Pension Plan's exemption from solvency relief will expire and the Board will be required to make these payments lacking an alternative
- The funding source for either of these two outcomes is the post retirement health benefit plan (PRGB)
- The Board has agreed to move forward with the closing of this health benefit plan effective December 31, 2017
- This will not impact retirees who are in receipt of these health benefits at that time
- This is not expected to impact the 2017/18 budget, but will likely impact future budgets depending on the final outcome of negotiations

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Other Budgeted Programs

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

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

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2017/18 Budget Outcomes

'A healthy, stable and sustainable budget'

- We have balanced the multiple interests of all stakeholders with the need to maintain a balanced budget under the *School Act*
- Building and maintaining a financially healthy and sustainable school district for years to come involves making some very difficult choices and decisions in an environment in which funding does not keep up with inflation
- The multi-year approach which incorporates the use of accumulated operating surpluses over subsequent years is in keeping with the recommendation of the Ministry of Education and the Office of the Auditor General
- The 2017/18 budget continues to provide resource support to enhance student learning while maintaining a financially healthy, stable, and sustainable education system for the long term

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Thank you!



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