



Learning for a Lifetime

BUDGET 2023-24

April 11, 2023

Presented by:

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Presentation Outline

1. Key budget dates
2. Directions 2025 and financial governance
3. Budget process and consultation
4. 2023-24 proposed budget
 - Current year update and outlook
 - Assumptions, funding and other considerations
 - Budget –operating fund, special purpose funds and capital funds
 - revenues, expenses, staffing
5. Risk factors
6. Multi-year fiscal plan

Key Budget Dates

- February 21 - Stakeholder and public / budget input meeting
- February 28 - *Provincial budget announcement*
- March 15 - Ministry announcement of 2023/24 preliminary operating grant
- **April 11**  - **Public Board Meeting – 2023/24 proposed budget**
- April 18 - Special public budget meeting – stakeholder feedback comments
- April 25 - Public board meeting and board approval of the 2023/24 budget

Budget Approval Timeline

- Per School Act (Sec 113)  School Districts are required to file a balanced budget by June 30th of each year



Why does SD43 complete the budget process in April?

- Funding for next year not announced until March 15th
- SD43 has contractual obligations that stipulate a 60-day notification period to meet certain commitments. Schools need staffing allocations in adequate time to organize for the following year.



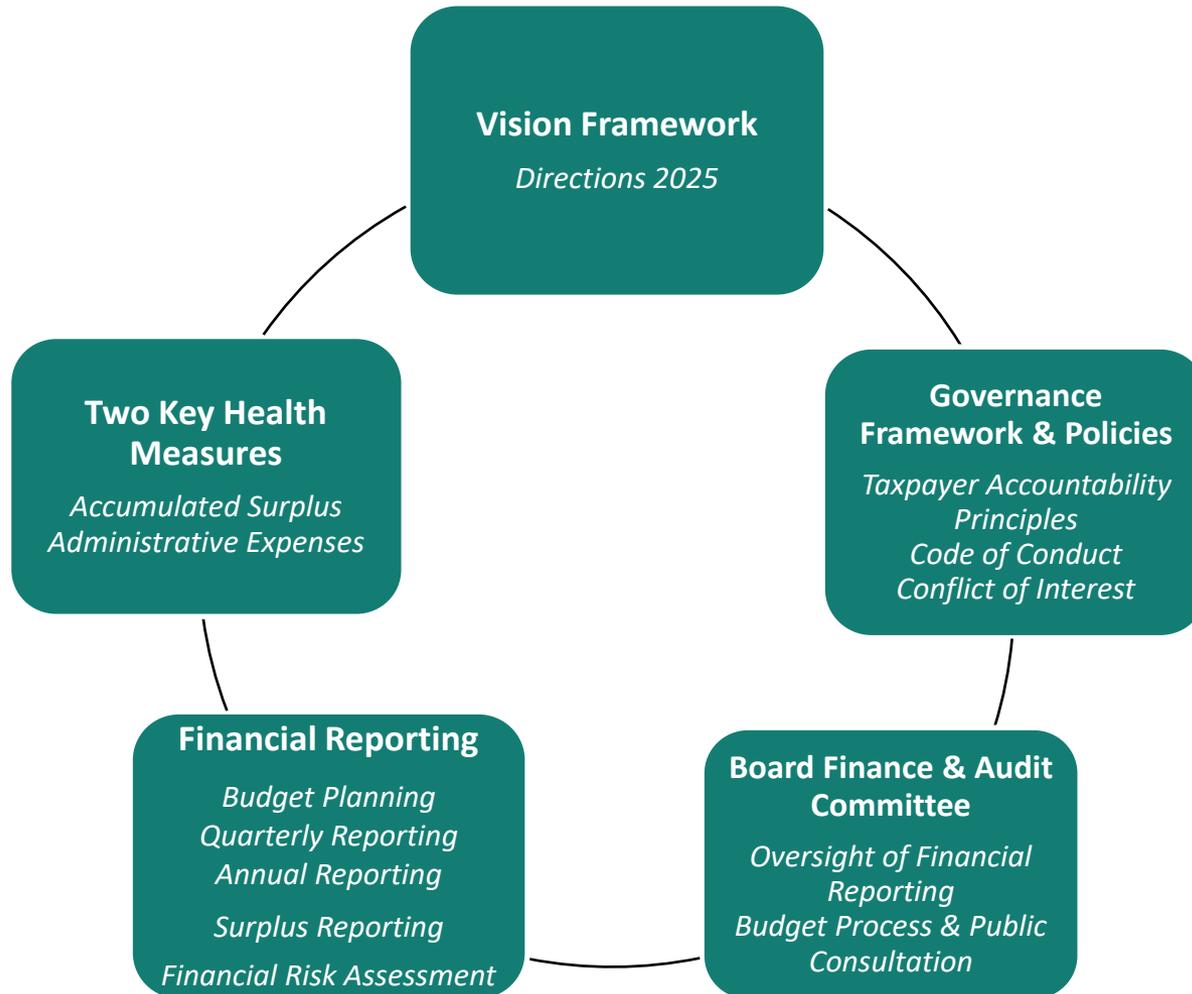
As an outcome, the public presentation of the budget, the subsequent discussion, public comments, and final Board approval is squeezed into the month of April

Directions 2025

DIRECTIONS 2025 Strategic Goals and Objectives

- Financial framework is guided by *Directions 2025*

Financial Governance Framework



Financial Statement Discussion & Analysis



- Increased Transparency:
 - More detailed and open discussion on financial results
 - Explaining variances to budget
 - Providing updated projections
 - Standardized quarterly reports
 - Comprehensive year end financial report

Budget Process Consultation Guide

For the Fiscal Year Beginning July 1, 2023

BUDGET CONSULTATION GUIDE 2023/24

Learning for a Lifetime

- Budget Consultation Guide
 - Aligning budget planning and resource allocation to Directions 2025
 - Governance and accountability principles under which budgets are developed
 - Budget process and timelines
 - General background information
 - Stakeholder engagement
 - roles of stakeholders
 - roles of trustees



2023/24 Budget Consultation

- Prior to developing the 2023/24 Budget, the Board invited stakeholder groups (CTA, CUPE, CPVPA, DPAC) to present their priorities and budget requests prior to developing the budget
- Special Public Meeting was held on February 21st , 2023, to receive stakeholder and public input to help shape the 2023/24 budget
- The Board and the district leadership team (DLT) discussed these requests, including identifying the underlying problem resulting in the request, discussed current or potential solutions, and incorporated these requests into the draft budget where funding permitted and alignment with district priorities existed

2023/24 Budget Consultation

- A complete summary of the comments received during these meetings and responses to these recommendations are captured in the budget document



BOARD OF EDUCATION Budget Stakeholder and Partner Group Meetings Summary 2023/24

Item #	Partner Group	Stakeholder/Request		Budgetary Request - What we Heard	How we Responded
Teachers - Non Enrolling/Learning Services					
1	CTA	CTA - Learning supports	⊕	Additional Learning Supports at the school level (Counsellors, YW, EA's, school based learning teams) to help with challenging environments and support vulnerable students.	Non enrolling teachers ratios are established in the teacher collective agreement as restored by MOU#17. SD43 continues to provide incremental support as priorities are established and funding permits. Additional learning services school based teacher staffing and Educational Assistants are added throughout the year as needs are determined.
2	CTA	Fine Arts Coordinator		Provide a part time or full time coordinator to coordinate music activities/resources in the district	Although we were not able to add this position at this time, a significant increase was made to the CMTA budget as requested.
3	CTA	CTA - Resources		Additional resources to address issues regarding student behaviour and violence.	The district will continue to look at ways to further supplement available resources.
4	Indigenous Advisory Council	Staffing Supports		Add Indigenous support staffing at each secondary school. Keep two temporary Indigenous Youth Workers hired this year. Hire an additional Indigenous Cultural Facilitator.	Additional blocks of staffing have been added to ensure targeted Indigenous support staffing at each secondary school.

Budget 2023/24

- The details and assumptions are documented in our published 'Budget 2023/24 & Multi-Year Fiscal Plan' document
- This is an aspect of our commitment to increased transparency and accountability
- Our budget development is guided by *Directions 2025*

BUDGET 2023/24



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2022/23 Current Year Update

- **2022/23 Fiscal year was impacted by:**
 - Lower International Education enrollment (from historic levels) – long term impact from the Pandemic
 - Increase in substitute costs – due to many factors ... higher wages, increased staffing levels, higher degree of precaution (stay home when ill)
 - Higher inflation & supply chain issues – increased costs of supplies and services
 - Capital contribution required towards Burke Mountain Middle Secondary School
 - Contract negotiations with teachers and support staff unions (provincial & local)
 - Additional staffing required due to unexpected enrollment growth from higher levels of immigration
 - Additional need for portables and classrooms due to enrollment growth

2022/23 Current Year Update

- **2022/23 Fiscal year was stabilized by:**
 - Utilizing \$1.3M in additional reserves, above the amount outlined in surplus policy
 - Higher Interest and rental revenues
 - Higher International enrollment than budgeted for second semester
 - Additional funding received for enrollment increases captured by September 30th
 - Settlement funding allocated from teacher and support staff contract negotiations
 - One time funding for excluded staff wage increments
 - Release of ARO liability – repurposed to meet Burke Mountain contribution requirement
 - One time funding provided under the Student Family Affordability funding
 - Projected surplus for current year – slippage in EA and support staff positions, and underutilization of some services and supplies budgets
 - Expected that surplus will be sufficient to support future financial stability per accumulated reserve policy

2023/24 Budget Assumptions

- Reduced impact from Pandemic as everything has returned back to “new normal”
- Supplies will continue to be impacted by inflation and supply chain issues
- International Education program will stabilize at 1050 students for the next few years as the program is re-established in a post-pandemic environment
- Interest rates will continue to generate additional interest income
- Rental revenues will continue to improve
- Absenteeism may continue to be higher
- Student and Family Affordability Funding – will be replaced with Feeding Futures School Food Program - focused on food security

2023/24 Budget Deliberations

- The majority of expenditure increases are due to contractual, legislative, inflationary or regulatory requirements
 - The Ministry does not provide funding for these increases, other than negotiated wage and salary increments for teachers and support staff
- Projecting an enrollment increase in our standard K-12
 - Immigration levels are projected to remain high
- Burke Mountain contribution requirement is fully funded freeing up \$2.0 million of our operating funds
- We will continue to see supply chain issues and inflationary increases
- We will need to add classrooms or portables from increase in enrollment levels (these are not funded by the Ministry)

Budget incorporates three Funds:

Operating Fund

Includes Ministry Grants, Other revenues, to fund instructional programs, school district administration, facilities operations, maintenance and student transportation

Special Purpose Fund

Includes separate, identifiable funds designated for a specific use or program

Capital Fund

Includes combination of ministry grants, locally generated funds and school site acquisition charges used for the construction, enhancement, and maintenance of facilities and land purchases for future school sites

Staffing

Change in Operating Grant Funding

Changes in Operating Grant Funding		\$	TOTAL
Increase in grant funding due to enrollment increase		2,270,958	
Increase in per student grant funding for Wage Settlements for 2023/24		16,370,940	
Increase in per student grant funding for Wage Settlements for 2022/23		12,137,253	
Increase in Other Ministry Grants		137,968	
Net Increase in Operating Grant Funding (from Amended Budget)			\$30,917,119

2023/24 - Other Revenues

Increase in Other Revenues	\$	TOTAL
Increase in International Revenues	1,903,726	
✦ Total International Education Revenues \$18.5M		
✦ Regular program enrollment - 1050 FTE		
Increase in Rental Revenues	50,000	
Increase in Investment Revenues	1,300,000	
Total Increase in other Revenues		\$3,253,726

2023/24 – Reversal of one-time budget uses

Reversals of one time Budgets available for other use in 2023/24:		\$	TOTAL
Repurpose Budget previously set aside for Burke Mountain Funding		2,000,000	
Budget utilized for Portables and Classroom finishing at Centennial		2,250,000	
Budget utilized for one-time initiatives		385,596	
Other Funds available for use in 2023/24			\$4,635,596

2023/24 Change in Surplus usage

Reversal of Surplus usage for Wage Settlement	\$	TOTAL
Reversal of surplus usage budgeted for 2022/23 wage settlements in the Amended budget prior to funding announcement	(9,899,429)	
Decrease in budgeted surplus usage re: Wage Settlements		(\$9,899,429)
Difference from prior year Surplus usage	\$	TOTAL
Reversal of surplus utilized during 2022/23	(5,050,000)	
Surplus usage for 2023/24 per surplus policy	3,750,000	
Net decrease in surplus usage for 2023/24		(\$1,300,000)

=Sustainable approach to reverting back to planned surplus usage per our surplus policy of \$3,750,000

2023/24 Contractual Salary and Benefit Increases

Salary and Benefit Increments - Contractually negotiated	\$	TOTAL
Teachers Salary	8,437,995	
EA Salary	1,501,029	
Support Staff	1,742,271	
Substitute Costs	2,508,325	
Wage and Benefit Increases for IE	528,824	
Benefits	1,889,715	
Salary and Benefit increase related to negotiated increases		(\$16,608,159)

2023/24 Contractual/Statutory/Inflationary Increases (not funded by Operating grants)

Unfunded Contractual/Statutory/Inflationary Increases	\$	TOTAL
Teachers - step increments, less adjustment for retirements	1,500,000	
Administrators - step and wage increments & related benefits	889,158	
Other Professionals - step and wage increments & related benefits	524,033	
Employee Benefits (CPP, EI, WorkSafeBC, Health Benefits rate increases)	1,898,328	
IT contractual increases (existing contracts and licensing)	135,160	
Facilities contractual increases (snow removal, waste, organics, recycling)	150,000	
Utilities contractual increases (natural gas and electricity)	0	
UNFUNDED Contractual/Statutory Increases/Inflationary		(\$5,096,679)

2023/24 – Service & Supply Budget Increases

Service and Supply Budget Increases	\$	TOTAL
International Education	481,250	
Support for Community Partnerships	97,500	
Increase for DPAC Budget	5,000	
Increase for CMTA Budget	10,000	
Contingency Budget	100,000	
IT - Staff and Student computers	295,500	
Other Supplies budget adjustments	77,360	
Service and Supply Budget increments		(\$1,066,610)

Summary of Staffing Additions

Staffing Additions- OPERATING FUND	FTE	\$	TOTAL
Teachers - enrollment Increases /prep time changes	13.2	1,718,600	
Teachers - support high risk and indigenous learners	2.5	325,000	
Teachers - learning services (SLP/ Psychologist)	0.6	79,010	
Teachers - international education enrollment increases	3.0	390,000	
Teachers - eliminate teaching time from Elementary Principals	5.9	767,000	
Teachers - Add Minor Department Heads at Elementary level		197,353	
Educational Assistants - enrollment increases level 2	10.0	566,640	
Educational Assistants - convert 14 middle school EA to 35 hours (***** Equivalent of 2.3 FTE positions*****)		105,588	
Youth Workers - Top up 0.5 FTE positions to full time	2.0	159,398	
Support Staff - Maintenance (Grounds/delivery/filter tech)	3.0	243,000	
Administrator District Principal - Diversity and Anti-racism	1.0	187,093	
Other Professional - Payroll Coordinator	1.0	96,882	
Increase in expenditures for Staffing additions	42.2		(\$4,835,564)

Summary of Changes

Summary of Changes (from Amended to Preliminary)	TOTAL
Ministry Grant Funding Change	30,917,119
Increases in Other Revenues	3,253,726
Reversals of one time budgets - funds available for 2023/24	4,635,596
Reduction in surplus usage for Wage Settlements (included in base grant funding)	(9,899,429)
Reduction in total surplus usage from prior year	(1,300,000)
Contractually negotiated Salary & Benefits Increases	(16,608,159)
Other Contractual/Statutory/Inflationary Increases	(5,096,679)
Increase in Service and Supplies budgets	(1,066,610)
Staffing Additions	(4,835,564)
Balanced Budget	0

Operating Budget – Summary

Operating Budget Summary	Actual 2021/22	Amended 2022/23	Preliminary 2023/24
Revenues			
Provincial Grants	306,289,547	313,818,860	344,729,673
Other Revenue	24,167,982	21,570,086	24,805,788
Total Revenue	330,457,529	335,388,946	369,535,461
Expenses			
Salaries	232,785,549	246,463,041	267,442,334
Benefits	61,187,035	67,317,616	72,529,866
Services and Supplies	26,119,618	30,255,144	30,813,262
Total Expenses	320,092,202	344,035,801	370,785,461
Current Period Surplus (Deficit)	10,365,327	(8,646,856)	(1,250,000)
Capital Purchases and Transfers	(9,509,420)	(8,500,000)	(2,500,000)
Use of Appropriated Surplus	0	17,146,856	3,750,000
Budgeted Surplus (Deficit)	855,907	(0)	(0)

Operating Budget – Summary

- Used reserves in a fiscally responsible manner to ensure future financial sustainability, reverting back to base of \$3.75 million per policy
- International Program – enhances school district programs, services & stability
- Prioritized funding to support student success:
 - Retained staffing positions added during 2022/23
 - Adding 42.2 FTE positions for 2023/24
 - Retaining 15 FTE permanent TTOC positions
- Reestablished contingency reserve back up to \$500,000 for unforeseen expenses
- Repurposed funds previously set aside to fund capital contributions required for Burke Mountain Middle/Secondary back into educational needs
- Taken a cautious and conservative approach in the Preliminary Budget planning to minimize operational disruptions during the school year

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)
- Mental Health in Schools
- First Nations Student Transportation
- Feeding Futures School Food Program (replacing Student & Family Affordability Funding)
- Other Funds

Staffing Summary – Special Purpose Fund

Special Purpose Fund	Actual 2021/22	Amended 2022/23	Preliminary 2023/24	Change from prior year
Teachers	316.94	338.14	346.94	8.80
Support	7.40	7.40	7.40	0.00
Educational Assistants	89.28	88.28	88.28	0.00
Administrators	1.50	1.65	1.65	0.00
Other Professionals	0.00	0.00	0.00	0.00
TOTAL	415.12	435.47	444.27	8.80

- Increase of 10.0 FTE teachers for class/size composition - Classroom Enhancement Fund
- Less decrease of 1.2 FTE for one-time additional staffing for Early Learning Child Care study

Classroom Enhancement Fund

Classroom Enhancement Fund	Amended 2022/23		Preliminary 2023/24		Variance	
	FTE	\$	FTE	\$	FTE	\$
Teachers	322.91	38,365,257	332.91	41,687,396	10.00	3,322,139
TTOC's		1,380,499		1,737,801	-	357,302
EA's	33.00	1,696,563	33.00	1,869,285	-	172,722
Administrators	1.00	401,849	1.00	430,000	-	28,151
Other Expenses		96,000		102,405	-	6,405
TOTAL	356.91	41,940,168	366.91	45,826,887	10.00	3,886,719
Remedy Costs		3,282,666		TBD	-	TBD

Capital Fund 2023/24

- Our capital budget incorporates the following key elements:
 - Net budget changes to investment in tangible capital assets
 - Annual Facility Grant projects
 - Lease revenues from closed schools, interest income and SSAC charges.
 - Construction activity for new schools, seismic replacements, building envelope projects
 - Continued MOA#17 best efforts:
 - Purchase and installation of portables and classroom conversions

Risk Factors

- Lingering impacts from the Pandemic
- International Education program recovery
- Funding adequacy
 - Underfunding of statutory and benefit cost increases
 - Lack of funding for inflationary costs
 - Grant funding model implementation Phase II impacts
- Classroom Enhancement Fund
- Capital funding requirements
- Student mental health and vulnerable children needs
- Staffing/recruitment challenges
- Ministry of Education mandates

Multi-Year Forecast

- Comprehensive multi-year financial plan
 - The assumptions, graphs, and projections are discussed in more detail in our report
- Projecting moderate enrollment increases
- Key takeaway – full impact from the Pandemic and other geopolitical events will take a few years to recover from
- Accumulated Reserves –help to stabilize the district for the long term

2023/24 Budget Outcomes

- Balanced the multiple interests of stakeholders
- Added staffing
- Financial stability through accumulated operating surplus policy
- Supporting our most vulnerable learners
- Maximizing resources for student success