

BUDGET 2022/23

Learning for a Lifetime

**BUDGET AND FISCAL PLAN
2022/23 - 2024/25**





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ORGANIZATION



BUDGET 2022/23



FISCAL PLAN

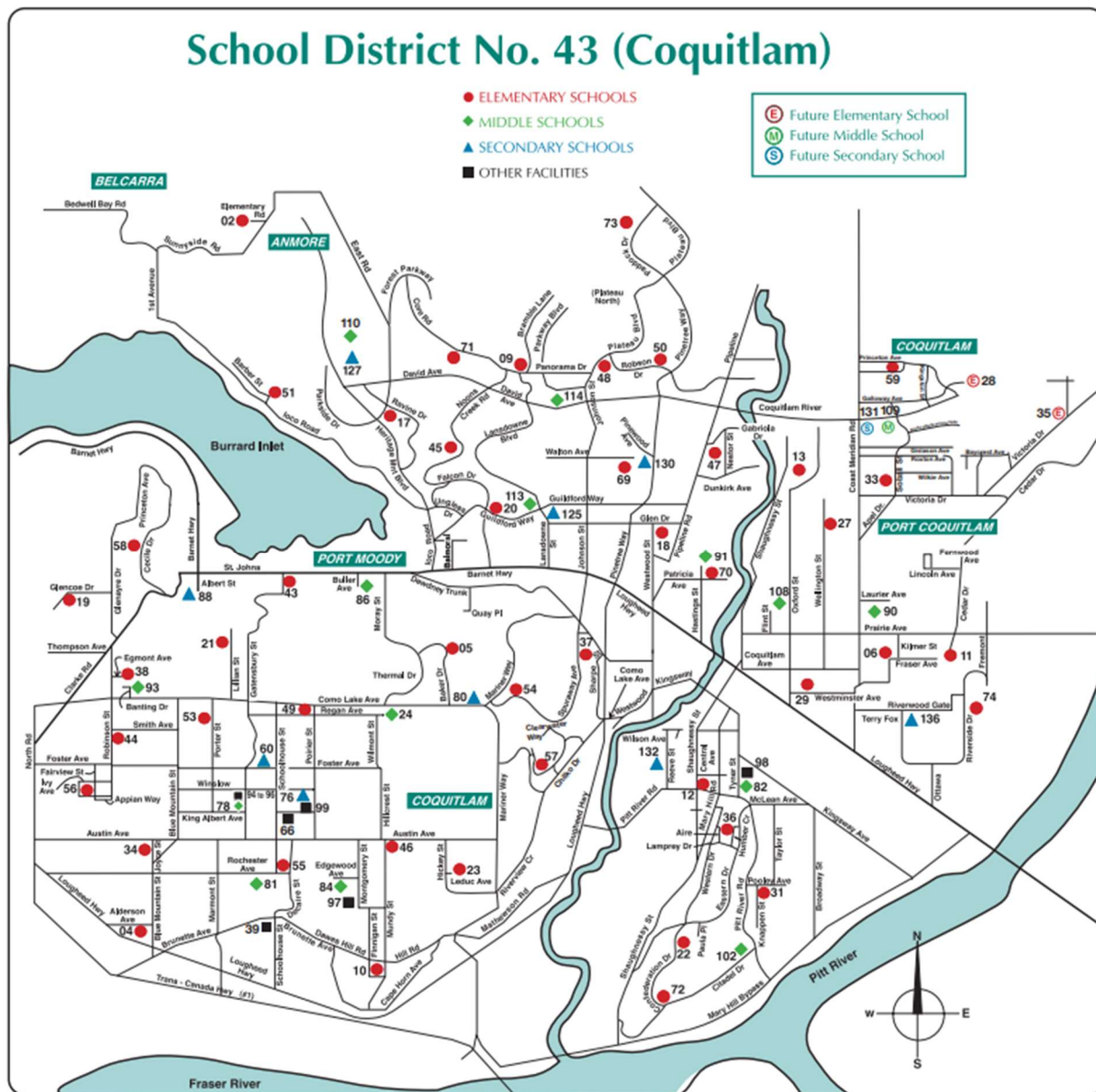


INFORMATION

ORGANIZATION

DISTRICT OVERVIEW

As the third largest school district in B.C., School District No. 43 (Coquitlam) meets the learning needs of approximately 32,000 students of all ages in Coquitlam, Port Coquitlam, Port Moody, Anmore, and Belcarra. The district employs approximately 4,370 employees including 2,700 teachers.



SD43 provides K-12 education in 47 elementary schools (kindergarten-grade 5), 14 middle schools (grades 6-8), 9 secondary schools (grades 9-12) and 4 alternate education programs. The district delivers a wide range of specialized education programs and services including:

- Indigenous Education
- Alternate Education
- Artists for Kids
- Band and Strings
- Career & Trade Programs
- Community Hubs & Schools
- Core French
- French Immersion
- English for Adult Learners
- Gifted
- International Baccalaureate
- International Education
- Montessori
- Mandarin Bilingual
- Online Learning
- Reggio-influenced Program
- Summer Learning

BOARD OF EDUCATION

School District No. 43 (Coquitlam) Board of Education is comprised of elected trustees charged with the governance of the school district including establishing goals and policies and approving the annual budget. They are accountable to the provincial government and represent the school district in the communities of Coquitlam, Port Coquitlam, Port Moody, Anmore and Belcarra. The trustees are elected every four years at the same time as the mayors and city councils, with the next election scheduled for October 2022. There are currently [9 elected trustees](#).

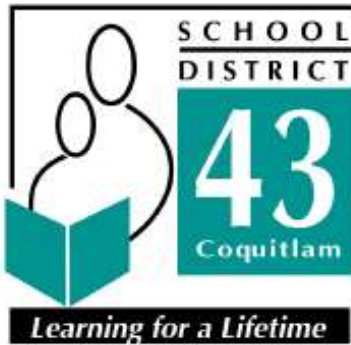


Roles, Responsibilities and Financial Governance

The Board of Education trustees have complex roles and perform many important and valuable duties, most notably to ensure quality learning opportunities for all students of all ages.

The board is responsible for overseeing the educational, operational, and ministerial requirements of the school district. They advocate for increased funding from government for educational, operational, and capital needs, promote School District programs and services and successes of students and employees.

The board is committed to transparency and has fully adopted the Ministry of Education recommended requirements for financial governance which includes the development of the annual budget that is guided by its vision framework and encompasses a consultative budget process.



VISION STATEMENT

Increasing Success in Life for All

OUR MISSION

Our mission is to ensure quality learning opportunities for all students of all ages.

OUR PURPOSE

The Board of Education accepts its responsibility to provide a quality and equitable public education for the success of all learners, within the limits and resources available.

DIRECTIONS 2025

OUR CORE BELIEFS AND PRINCIPLES

The Board of Education believes in:

- Public Education and the need to advocate on its behalf;
- Instilling a passion for learning;
- Learners as the most important focus;
- High quality and equitable learning opportunities;
- Innovation, creativity, problem solving, critical thinking and sustainability;
- The essential value of District/Community/Global Partnerships;
- Safe, inclusive and socially responsible learning communities.

The Board of Education is committed to:

- Creating a culture of care and shared responsibility where every learner matters;
- Engaging and empowering lifelong learners;
- Providing flexible, integrated, diverse, and active learning environments;
- Developing shared leadership through innovative, sustainable professional learning.



For more information regarding the *Directions 2025 Strategic Plan*, click [here](#).

INTELLECTUAL DEVELOPMENT /
Achieve Student Success:



Our core work and common goal is educational excellence.

HUMAN AND SOCIAL DEVELOPMENT / Develop the Educated Citizen:



Enhance development of self-worth, personal identity and social responsibility while valuing the diversity of all learners.

ORGANIZATIONAL CAPACITY / Foster a Sustainable Educational Organization:



Ensure that our human, financial and physical resources are sustainable.

CROSS CUTTING THEMES:
These underlying themes will enhance our work and will inform our practice as we implement our goals.

TECHNOLOGY
Quality Information; Equitable Access; Human Capacity.

SOCIAL ENGAGEMENT
Global and Digital Citizenship; Environmental Stewardship; Community Relationships.

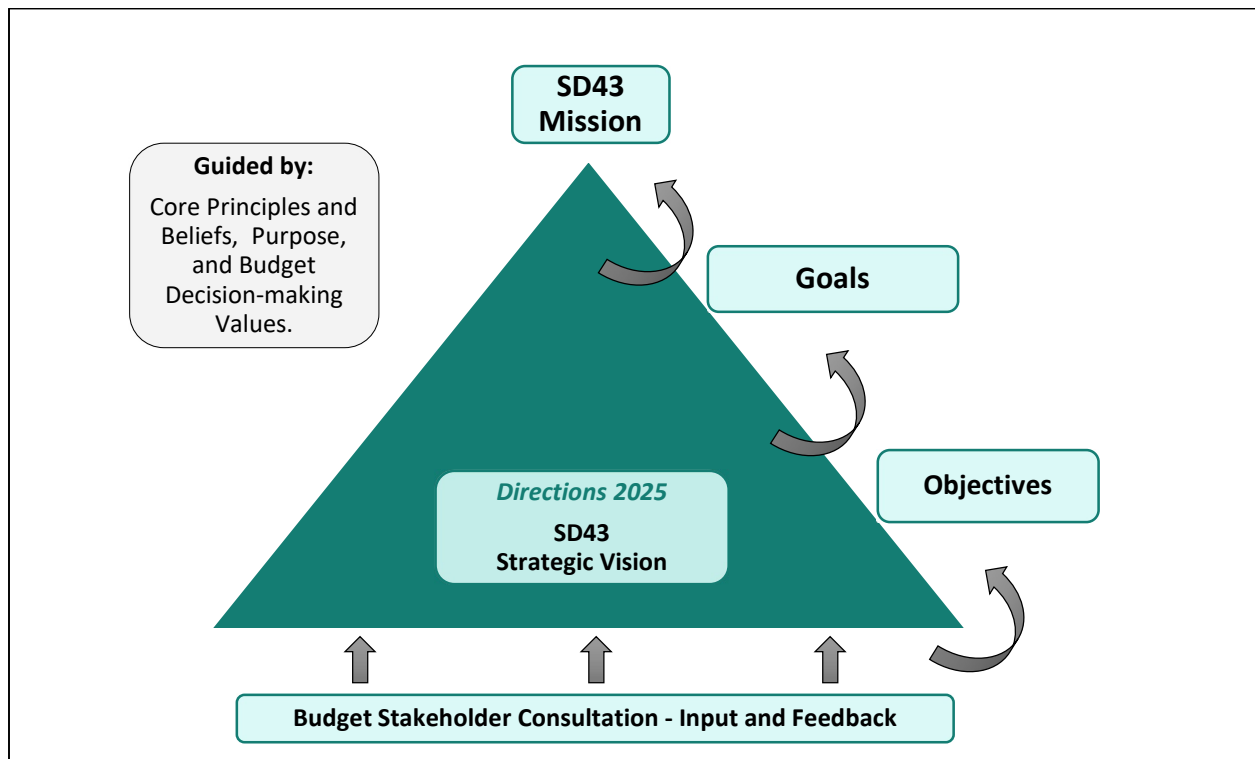
Aligning Budget Planning & Resource Allocation with Directions 2025

The district is committed to a model of transparent budget planning and resource allocation that is directly aligned with our strategic vision and goals, *Directions 2025*, established by the board.

It is a consultative model that coordinates budget planning and resource allocation activities with inclusive stakeholder consultation and feedback based on the vision, goals and objectives. The model includes:

- articulating *Directions 2025*;
- providing timely and accurate budget information;
- receiving budget input and feedback;
- prioritizing budget requests for the upcoming budget year;
- allocating available resources to best meet requests that align with the vision, goals and objectives;
- communicating the outcomes effectively for transparent accountability.

The model will ensure that budget input and resource allocations are connected to and aligned with the *Directions 2025* vision, goals and objectives. This model is an integral part of the district's operating culture.



Directions 2025 Alignment to Budget

The details on the following pages specify how the district's budget aligns with the goals and objectives of the *Directions 2025* Strategic Plan.



GOAL

OBJECTIVE

INTELLECTUAL DEVELOPMENT/ Achieve Student Success:

Our core work and common goal is educational excellence.

- Develop students as numerate citizens who practice mathematical habits of mind.
- Foster life-long learning behaviors through the promotion of literacy and the core competencies across the curriculum.
- Equip students for a world that requires practical scientific, technical and innovation skills through STEAM and Career Education.
- Instill understanding of First Peoples Principles of Learning and Indigenous History.

BUDGET SUPPORTS:

- Continuous alignment and augmentation of available resources and Action Plans for Learning (APL) with student achievement, educational outcomes and understanding of First Peoples Principles.
- Providing professional learning support and resources for First Peoples Principles, numeracy, literacy and core competency development including Learning Labs and access to curricular support services through Curriculum Coordinators and Support Teachers.
- Investment in eResources to support curricular goals and encourage inclusive approaches by reducing barriers to learning.
- Providing a variety of [Educational Programs of Choice](#) for students.
- Investing in Mentorship programs and Professional development to support and enhance the learning needs of students.
- Allocating resources to promote use of STEAM tools in classrooms and offering a variety of [Board Authority Authorized Courses](#) and [Career and Trades Programs](#)
- Investing in Curricular resources such as Discovery Learning, Nelson and many others.

GOAL

OBJECTIVE

HUMAN AND SOCIAL DEVELOPMENT / Develop the Educated Citizen

Enhance development of self-worth, personal identity and social responsibility while valuing the diversity of all learners.

- Support vulnerable learners through early identification and strategies to reduce barriers to success.
- Cultivate social-emotional well-being through personal and social awareness and responsibility, empathy, and resilience.
- Emphasize success, well-being and equitable opportunities for Indigenous Learners.
- Ensure success for all learners through the development of inclusive learning environments.

BUDGET SUPPORTS:

- Providing a variety of [Alternate Education Programs](#) for vulnerable learners and developing strategic needs-based revisions.
- Utilizing data-driven, needs-based resourcing (needs assessment) to ensure learning supports are effectively targeted to support individual school and student challenges.
- Allocating resources towards School Based Teams, district Specialists to work collaboratively with classroom teachers in meeting the needs of individual students as well as itinerant support through IST.
- Providing direct and consultative service to students with diverse learning needs through [Learning Services](#) and supporting inclusive classrooms thru the application of needs-based resourcing.
- Aligning targeted funding and other district resources to support and enhance learning opportunities for all Indigenous learners.
- Supporting [Social and Emotional Learning](#), Wellness and Mental Health initiatives, programs and training, through grant funding and partnerships with various agencies.





GOAL

OBJECTIVE

ORGANIZATIONAL CAPACITY / Foster a Sustainable Education Organization

Ensure that our human, financial and physical resources are sustainable.

- Model a professional leadership culture. Create innovative and sustainable facilities that support emerging learning needs.
- Support continuous improvement and operational efficiencies throughout the organization.
- Implement strategies to ensure international education programs maintain their leadership position.
- Ensure a financially stable organization through progressive practices and multi-year financial planning.

BUDGET SUPPORTS:

- Investing in Professional Development and Training activities at all levels of the organization.
- Designing new buildings with modern and collaborative learning spaces, incorporating neighborhood learning centers, enhanced technology.
- Updating existing buildings (interior, exterior, mechanical, electrical, roofing, technology, flooring, site) using Annual Facilities Grants and internally Restricted funding per the Accumulated reserve policy.
- Updating Enterprise Resource Planning system and streamlining business processes.
- Replacing older vehicles, equipment and updating technology infrastructure and resources.
- Allocating resources to help re-establish international education enrollment lost due to the Pandemic.
- Continuous utilization of a multi-year fiscal plan through the Surplus Reserve policy to ensure stability in district operations, including post pandemic supports and ongoing future stability in education, IT and facilities.
- Utilizing funds released from the Annuitization of Non-Teaching Pension and Solvency requirements to retain staffing and classroom resources and contribute toward capital needs.



CROSS CUTTING THEMES:

These underlying themes will enhance our work and will inform our practice as we implement our goals.

TECHNOLOGY- Quality Information; Equitable Access; Human Capacity

BUDGET SUPPORTS:

- Sustainable approach to provisioning technology in support of all working and learning needs and initiatives across the organization.
- Promoting equity of access to quality technology for all learners through a subsidized provisioning approach targeting families in need
- Promoting effective use of technology across the organization thru ongoing technical training opportunities, professional development, and dedicated mentorship resources.
- Fostering Digital Citizenship and Wellness through coordinated engagement activities
- Investment in robust data systems to improving access to data and data driven decision making.
- Commitment to privacy, security, and data use standards to ensure stakeholder trust in data activities.



SOCIAL ENGAGEMENT- Global and Digital Citizenship; Environmental Stewardship; Community Relationships

BUDGET SUPPORTS:

- Fostering [Digital Citizenship](#) and Wellness through coordinated engagement activities.
- Encouraging community involvement and building partnerships with various organizations to address local needs.
- Supporting Environmental Stewardship through green initiatives, minimizing waste, recycling, reducing energy consumption, sustainable facilities planning and digitizing paper records.
- Engaging international partners to create global learning cooperation opportunities, raise cultural awareness and promote the Coquitlam profile internationally.
- Developing local industry partnerships to create new learning opportunities with a focus on STEAM and Career programming.





BUDGET PROCESS

As per the *School Act* (Sec 113), school districts are required to submit a balanced budget by June 30 each year. SD43 starts the budget process in early January with a consultation process and completes the process by the end of April with the approval of the preliminary budget. One of the main reasons that the budget must be approved by the end of April is that SD43 has contractual obligations that stipulate a 60-day notification period to meet certain commitments, specifically, in relation to staffing layoff notification.

Budget Background

The district's budget is prepared in accordance with the following provincial legislation and regulation that establishes government's framework for financial reporting:

1. Section 23.1 of the *Budget Transparency and Accountability Act*
2. Regulations 257/2010 and 198/2011 issued by the Province of BC Treasury Board.

As required by Public Sector Accounting Standards (PSAS) and the Ministry of Education, the school district reports revenue and expenses under three separate funds: the operating fund, the special purpose fund, and the capital fund.

OPERATING FUND: The operating fund includes ministry grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation.

SPECIAL PURPOSE FUND: The special purpose fund includes separate, identifiable funds designed for a specific use or program. These funds are received from the Ministry of Education and other sources with restrictions on how they may be spent.

CAPITAL FUND: The capital fund includes a combination of ministry capital grants, locally generated funds (which are transferred from the operating fund to cover expenditures, such as portables), and school site acquisition charges from local municipalities. These funds are used for facility operations including construction, enhancement, and maintenance of buildings, fields, infrastructure, and land purchases for future school development.

Budget Implementation, Monitoring, and Reporting

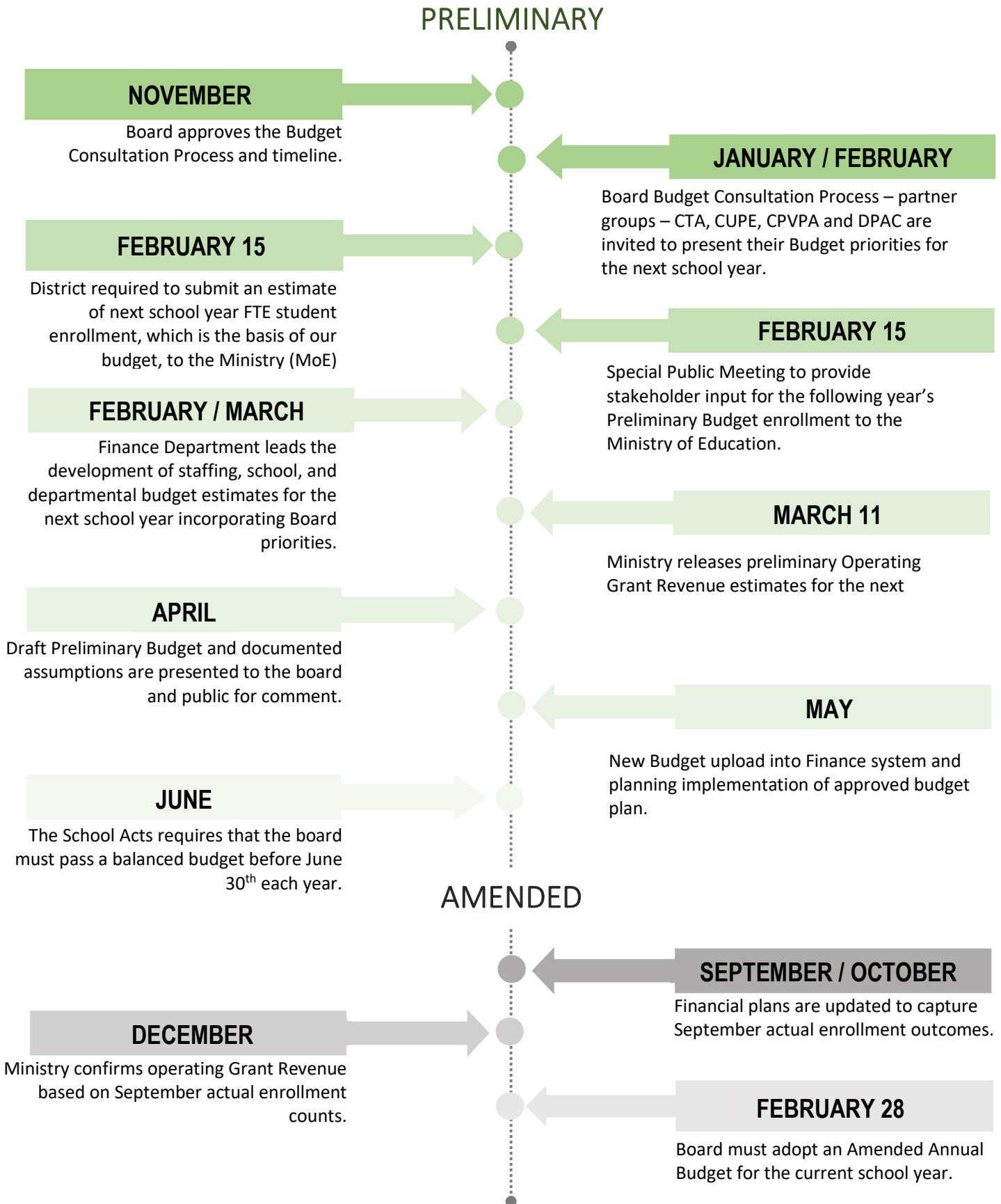
Once the preliminary budget is approved, it is continuously being updated for known changes in estimates and new information on trends impacting the district's financial operations. These changes are consolidated and make up the amended budget which requires board approval and submission to the ministry by February 28th of the fiscal year.

The district has established administrative procedures and controls with respect to budget implementation and reporting based on best practices. In adherence to these processes and procedures, the board allows management the appropriate flexibility to make the financial changes necessary to meet the unforeseen operational needs of the district and to fully maximize its financial resources.

Financial updates are presented to the board quarterly. These updates include a high-level summary of the budget and actuals-to-date, significant financial variances or changes from the previous quarter, staffing changes, and any other information that will assist the board in performing their governance duties.

At the end of the fiscal year (June 30), management prepares a financial statement discussion and analysis report (FSD&A) in addition to the annual financial statements. The FSD&A reports the variances between the budget and actual financial results in detail.

Budget Planning Cycle





Schedule of Board Meeting Presentations

For the past 12 months, there were numerous presentations made during public board meetings to keep the board and the public informed of important and relevant topics. This assisted the board and District Leadership Team (DLT) in informing and shaping the 2022/23 budget proposal.

BOARD MEETING	PRESENTATION TOPIC
April 13, 2021	COVID -19 Update
	NTPP Annuitization Update
	2021/22 Preliminary Budget
April 20, 2021	Overview of Budget Process & Remarks from Board Chair
	Stakeholder Budget Feedback Questions or Comments
April 27, 2021	COVID-19 Update
	2021/22 Annual Budget Bylaw
May 11, 2021	COVID-19 Update
	Mental Health Supports
	3rd Quarter Financial Report
	Non-Teaching Pension Plan - Financial Statements
	Approval of Annual Facilities Grant
June 15, 2021	COVID-19 Update
	Moody Middle Funding Announcement
	NTPP - Policy Update Approval
	Restricting 2020/21 Operating Surplus
September 14, 2021	COVID-19 Update
	Framework for Enhancing Student Learning
	Financial Statement Discussion & Analysis and Audited Financial Statements
	Restricting Operating Surplus
	Moody Elementary – Capital Contribution
	Policy 23 – Financial Reserves
October 5, 2021	COVID-19 Update
	Summer Learning Report
	International Education Summer Learning Report
	Enrollment Update
	Notice of Motion: Policy 23 – Financial Reserves
October 26, 2021	COVID-19 Update
	Rental & Lease Department Report
	Procurement Department Report
	1 st Quarter Financial Report
	Financial Update 2021/22 – Cost Pressure Report
	Notice of Motion: Policy 7 – Board Operations
November 23, 2021	COVID-19 Update
	2022-23 Budget Process
	Statement of Financial Information

BOARD MEETING	PRESENTATION TOPIC
January 18, 2022	COVID-19 Update
	District Operational Plan – Aligned with Framework for Enhancing Student Learning
	Budget Consultation Guide
	Funding Update
February 8, 2022	COVID-19 Update
	2 nd Quarter Financial Report
	Burke Mountain Middle/Secondary School Update
	2021/22 Amended Annual Budget
	Policy 23 – Financial Operating Reserves
February 15, 2022	Budget Stakeholder Input Presentations
March 1, 2022	COVID-19 Update
	Student Enrollment Projections
	Burke Mountain Middle/Secondary School Update
	Policy 23 – Financial Operating Reserves

Budget Development and Consultation Process

The board offers all district Partner groups and the public an opportunity to present their priorities and budget requests to the board prior to developing the budget. This allows the board and the District Leadership Team (DLT) the opportunity to discuss these requests, including identifying the underlying problem resulting in the request, discussing current or potential solutions, and incorporating these requests into the draft budget if funding permits and they are in alignment with current district priorities.

Partner Group Meetings and Stakeholder Input

As part of our budget process, the board provided an opportunity to each of our partner groups and stakeholders to provide their input for consideration into the 2022/23 preliminary budget. The board met separately with CTA, DPAC, CUPE and CPVPA and further held a special public board meeting on February 15th for budget stakeholder input presentations.

A complete summary of the comments received during these meetings and our responses and comments to these recommendations are captured in [Appendix A](#).

The DLT considered these recommendations when developing the proposed preliminary budget for 2022/23 within the limitations of available funding and *Directions 2025* criteria.



BUDGET 2022/23

EXECUTIVE SUMMARY

Developing the 2022/23 budget was a significant challenge due to a variety of factors, including:

- ✓ balancing a budget with \$2.3M less surplus available for stabilization purposes than prior year
- ✓ no additional funding from the Ministry of Education for the 2022/23 fiscal year
- ✓ significant capital contribution requirement from the province of \$25M for the new Burke Mountain Secondary/Middle School Capital Request,
- ✓ the ongoing impact of the COVID-19 pandemic, supply chain issues and significant inflationary increases not seen in 40 years affecting all school district operations,
- ✓ projected enrollment decline in students compared to the prior year,
- ✓ increased expenditure costs related to statutory and contractual obligations.

The message from our stakeholder groups and the community was evident: maintain service levels to the extent possible, including existing staffing levels, school supplies, and services, and address heightened challenges in mental health and supports for vulnerable students. The district agrees and is dedicated to meeting these requests to the extent available funding allows. SD43 is also committed to ensuring adequate mental health supports are available for staff and students, which are needed now more than ever due to the social and emotional impact caused by the pandemic. In early 2022 the district set up a community Mental Health Taskforce to explore strategies that go beyond regular school hours as a step towards addressing this need.

With the easing of COVID related restrictions beginning in early spring, SD43 is anticipating a return to normal school operations in fall 2022, with regular in-class instruction. It is not certain, however, as to how many students, compared to historical levels, will elect to return to in-class instruction, which in turn will impact Ministry funding and correlated staffing, including summer learning programs.

During the 2021/22 school year, the school district received additional COVID-19 relief grant funding. These resources were used to fund additional day-time custodian positions for high-touch surface cleaning to support enhanced health, safety, and cleaning requirements. While funds to maintain these services will not be forthcoming next year, the district has anticipated and projected for some 'pandemic overhang' expenses.

It is important to note that the Coquitlam School District - International Education program supports enhanced teacher staffing and programming that benefits all students in the district. It also provides sustainability to staffing levels through its contribution to our accumulated financial reserves. It will likely take a few years to rebuild the program to the level it was prior to the pandemic.

The ongoing impact from the pandemic and resulting travel restrictions over the past two years has significantly reduced the number of international student applications to our school district compared to pre-pandemic levels. As a result, we are expecting our enrollment in our international education program for September 2022 to be similar to last year. Contributing further to reduced enrollment is the unknown geopolitical environment of eastern Europe due to the war in Ukraine. The 2022/23 budget reflects the lower enrollment levels and corresponding staffing levels. While enrollment may improve for the second half of the school year, it is premature to budget for any potential enrollment increases.

While all streams of revenue contribute to our district operations, the biggest source comes from the Ministry of Education's grant funding. For the past three years, insufficient provincial grant funding for collective agreement salary and wage increases, combined with the cost of health tax replacement of medical services premium, has resulted in an annualized funding shortfall of \$3.9M for our school district. This shortfall has been further impacted by a continued lack of funding for inflation and statutory increases for CPP and EI and other contractually negotiated benefits. These funding shortfalls have a direct impact on the district's ability to maintain and retain its staffing, service, and supply budgets.

The district is continuing to see an increase in students with special needs. Within the Student Services portfolio, the district ensures that our actual staffing for special education and ELL itinerant teachers, teacher librarians, and councillors is within the provincial non-enrolling ratios. For the 2022-23 school year, the district is adding 7 additional EA positions to assist with increasing vulnerable learner needs. This is in addition to retaining the 17 EAs and 2 LISWs that were added in the 2021-22 amended budget.

The funding shortfall is further exacerbated by funding requirements from the ministry towards capital projects. The district is expected to contribute \$25M towards the proposed Burke Mountain Middle/Secondary School in order to secure project approval from the provincial treasury board. If this project is delayed, the district will need to accommodate 1,100 projected students, equating to \$14M in portable purchases within the next seven years. As a result, \$7M will need to be redirected from operational funding over a four-year period, from 2022 to 2026, as part of the \$25M contribution.

To stabilize the 2022/23 budget from the funding shortfalls and enrollment declines in regular and international students, the district will be utilizing the remaining education stabilization reserve of \$900k and \$400k of one-time savings from restructuring the Sick Leave Benefit Plan in addition to the planned surplus usage of \$3.75M per our accumulated financial reserves policy.

Our 3rd quarter financial assessment, when reported out in May 2022, will likely reflect a current year underspend that can be utilized for the 2022/23 without negatively impacting the accumulated financial reserves policy. This would be incorporated as part of the 2022/23 amended budget once enrollment has been confirmed and needs identified.



ENROLLMENT

Below is the district's February 15th submission of September 2022 estimated student enrollment:

September Enrollment Summary	2020/21	2021/22	2022/23P	Variance
K-12 Standard (Regular) Schools FTE	30,284.25	30,417.38	30,270.00	(147.38)
Internal Enrollment Holdback			(100.00)	(100.00)
Continuing Education FTE	0.81	0.50	5.00	4.50
Alternative Schools FTE	303.00	265.00	265.00	0.00
Distributed Learning FTE	584.69	464.50	380.00	(84.50)
Total Est. School-Age Enrolment	31,172.75	31,147.38	30,820.00	(327.38)
Level 1 Special Needs	24.00	27.00	25.00	(2.00)
Level 2 Special Needs	1,258.00	1,352.00	1,382.00	30.00
Level 3 Special Needs	348.00	343.00	310.00	(33.00)
English Language Learning (ELL)	5,060.00	5,078.00	4,980.00	(98.00)
Indigenous Education	1,243.00	1,263.00	1,225.00	(38.00)
Adult Education	34.31	43.69	47.00	3.31

The September enrollment count is the most important count for the district and makes up the largest component of the operating grant from the Ministry of Education. The enrollment projections have taken the following into consideration:

- Change between intake of newly enrolled kindergarten cohort and those that are graduating
- Impact of outmigration to other districts as a result of increased housing prices
- Increased cost of living and childcare impacting local birthrates
- Net migration of students from and to other provinces and other countries
- Impact of COVID-19 on students currently enrolled in Distributed Learning and Homeschooling and whether these students will return to their regular home school.
- Ministry of Education's projections for our district

After taking into consideration all the information available, the district went with the ministry's projections for K-12 standard schools, a decrease of an estimated 147 FTE students from the current year. However, due to a higher level of uncertainty with this year's projections in terms of student migration in or out of the district, and students remaining in the homeschool or online learning programs, the district is being cautious and holding back an additional 100 FTE in the operating budget until actual FTE student numbers are confirmed in September.

Enrollment in distributed learning (online) programs is projected to go down as the impact of COVID-19 starts to diminish and students return to in-class learning. Distributed learning enrollment numbers were higher than normal for the past two years as in-class summer learning courses for grades 10 to 12 were cancelled due to COVID and instead, were offered online through the summer Fast-Track program. The district is currently planning to run the in-class Summer Learning program as normal, barring any new restrictions put in place by the Provincial Health Officer.

Enrollment for level 2 special needs students is projected to increase by 30 FTE while level 1 and 3 special needs, English language learners and indigenous education students are expected to decrease slightly compared to the 2021/22 school year.

Staffing is initially based on these enrollment projections; however, adjustments are made once actual enrollment is confirmed and staffing needs identified.

STAFFING

The following tables summarize the staffing adjustments proposed for the preliminary budget. The district has attempted to mitigate the overall number of staffing reductions for 2022/23 by offsetting increments that can be funded through the Classroom Enhancement Fund.

Unfortunately, the continued underfunding of operating grants from the Ministry of Education, combined with the impact of COVID-19 on our international education revenues, will mean that there will be some unavoidable staffing reductions in 2022/23. The intent is to retain as many teachers as possible while minimizing shortages related to staffing teachers teaching on call (TTOC) and continuing to provide the same levels of educational offerings and services to our students within a required balanced budget.

Below is a summary of staffing presented in full time equivalents (FTE) of all groups for all three funds, (Operating, Special Purpose Funds and Capital).

All Staffing Groups	Actual 2020/21	Amended 2021/22	Preliminary 2022/23	Change from prior year
Teachers	2,029.41	2,011.62	1,987.22	(24.40)
Support Staff	577.41	570.46	558.46	(12.00)
Educational Assistants	659.39	680.72	687.72	7.00
Administrators	127.00	128.00	128.00	0.00
Other Professionals	74.00	74.00	74.00	0.00
TOTAL	3,467.21	3,464.80	3,435.40	(29.40)

The decrease of 24.40 FTE Teacher staff is due to a combination of lower student enrollment projections (regular, distributed learning, English language learning), \$0 increase in student funding from the ministry and reduced international education revenues.

The decrease of 12 FTE support staff includes a reduction of 10 temporary caretaker positions funded by a one-time Provincial Restart Funding to address *Health and Safety requirements* (Special Purpose Fund Grant) and 2 caretaking relief positions to cover absences.

The increase of 7.0 FTE education assistants is required to maintain current service levels for the previous year (2021/22) increase in level 1, 2, and 3 students. An additional 30 level 2 students are projected for 2022/23, placing additional pressure on the district to reallocate more funding from a limited budget. The district is subsidizing an additional \$17M above and beyond the supplement funding received for vulnerable students. The subsidy comes from a combination of our regular per-pupil student funding and utilization of prior year surpluses.

The following tables summarize the staffing for each employee group based on various funding sources and includes the proposed changes. It is important to note that while district staffing is funded from various sources, the positions are not restricted to the source. Total staffing is determined and based on overall district needs, programs and ratios and is meant to benefit the entire district and all students and is not specific to the funding source.

TEACHERS	Actual 2020/21	Amended 2021/22	Preliminary 2022/23	Change from prior year
Operating Fund	1,613.88	1,644.68	1,614.28	(30.40)
International Education Fund	62.00	50.00	51.00	1.00
Classroom Enhancement Fund	271.50	302.90	307.90	5.00
Special Purpose Fund (excl CEF)	13.64	14.04	14.04	0.00
COVID - one time funding	68.40	0.00	0.00	0.00
TOTAL	2,029.41	2,011.62	1,987.22	(24.40)



Teacher Staffing Net Change: -24.40 FTE

- -13.4 FTE – Decrease in correlation to student enrollment projections for 2022/23
- -12.0 FTE – Decrease in one-time staffing added for second semester needs
- +1.0 FTE – Increase in correlation to slight growth in International Education enrollment projections
- -5.0 FTE, +5 FTE – Transfer of positions from Operating to CEF, required to maintain class size composition and best-effort requirements (approval of funding for CEF is confirmed in December)

SUPPORT STAFF	Actual 2020/21	Amended 2021/22	Preliminary 2022/23	Change from prior year
Operating Fund	547.61	552.06	550.06	(2.00)
Special Purpose Fund	7.40	7.40	7.40	0.00
COVID - one time funding	20.40	10.00	0.00	(10.00)
Capital Fund	2.00	1.00	1.00	0.00
TOTAL	577.41	570.46	558.46	(12.00)

Support Staffing Net Change: -12.0 FTE

- -10.0 FTE – Decrease temporary custodians hired through one-time COVID funding
- -2.0 FTE – Decrease in caretaking relief positions for coverage of absences.

EDUCATIONAL ASSISTANTS	Actual 2020/21	Amended 2021/22	Preliminary 2022/23	Change from prior year
Operating Fund	566.61	591.44	598.44	7.00
Classroom Enhancement Fund	33.00	33.00	33.00	0.00
Special Purpose Fund (excl CEF)	55.78	56.28	56.28	0.00
COVID - one time funding	4.00	0.00	0.00	0.00
TOTAL	659.39	680.72	687.72	7.00

Educational Assistants Net Change: +7.0 FTE

- +7.0 FTE – Increase in educational assistants to maintain current 2021/22 level 1, 2, 3 enrollments

No budgeted changes are proposed for the administrator and other professional staffing groups.

ADMINISTRATORS	Actual 2020/21	Amended 2021/22	Preliminary 2022/23	Change from prior year
Operating Fund	124.50	125.50	125.50	0.00
Classroom Enhancement Fund	1.00	1.00	1.00	0.00
Special Purpose Fund (excl CEF)	0.50	0.50	0.50	0.00
Capital Fund	1.00	1.00	1.00	0.00
TOTAL	127.00	128.00	128.00	0.00

OTHER PROFESSIONALS	Actual 2020/21	Amended 2021/22	Preliminary 2022/23	Change from prior year
Operating Fund	69.00	69.00	69.00	0.00
Capital Fund	5.00	5.00	5.00	0.00
TOTAL	74.00	74.00	74.00	0.00

OPERATING FUND BUDGET

The operating budget is used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation.

Overview

The starting point of developing a preliminary budget begins by creating a “base budget”. The base budget is built on the board approved 2021/22 amended annual budget and it reflects what revenue and expenses for 2022/23 would be if the school district were to maintain the same level of service for the current fiscal year. The base budget for 2022/23 has been adjusted for the following items:

- forecasted enrollment changes
- projected Ministry of Education (MOE) grant funding
- projected revenue sources (including international education, rental revenues, interest income)
- projected changes to staffing due to forecasted enrollment or revenues
- contractual and statutory requirements to employee salaries and benefits
- contractual rate changes to services, supplies, and utilities
- adjustments for any prior-year surplus allocations
- adjustments for one-time revenue or expenses included in the prior year budget

Operating Budget Summary.

The following table provides a summary of the previous year’s operating revenues and expenditures, the current year amended budget, and the 2022/23 preliminary budget. The variance reflects the changes in revenues and expenditures in the preliminary budget compared to the current year. The table also includes capital fund transfers and the usage of accumulated surplus.

	Actual 2020/21	Amended 2021/22	Preliminary 2022/23	Variance
Revenues				
Provincial Grants - MOE, Operating Grant	290,588,676	303,743,095	302,817,479	(925,616)
Provincial Grants - Other MOE grant and MCFD	12,272,753	2,626,154	2,634,058	7,904
Offshore Tuition Fees	20,081,360	14,262,000	14,674,500	412,500
Rentals and Leases	1,146,038	1,408,296	1,808,296	400,000
Investment income	1,622,870	1,151,047	1,351,047	200,000
Other Revenue	1,274,064	1,010,959	941,894	(69,065)
Total Revenue	326,985,761	324,201,551	324,227,274	25,724
Expenses				
Salaries and Benefits	301,773,502	296,797,438	296,667,722	(129,716)
Services and Supplies	23,120,572	29,207,284	28,109,552	(1,097,732)
Total Expenses	324,894,074	326,004,722	324,777,274	(1,227,448)
Current Period Surplus (Deficit)	2,091,687	(1,803,172)	(550,000)	1,253,172
Capital Purchases and Transfers	(11,427,568)	(8,500,000)	(4,500,000)	4,000,000
Use of Appropriated Surplus	9,335,881	10,303,172	5,050,000	(5,253,172)
Budgeted Surplus (Deficit)	0	0	0	0

As illustrated, reduced operating grants resulting from lower student enrollment projections translates to decreased revenues of -\$925,616 for next year. This decrease has been offset by estimated increases in other revenues (international education, rentals, and investment income).

Operating Revenues

Grant Revenue

Grant revenues have been adjusted to reflect the projected enrollment numbers based on the per student grant funding for each category. Details of the operating grant by student category and funding are illustrated in [Appendix B](#).

	Actual 2020/21	Amended 2021/22	Preliminary 2022/23	Variance
Basic Allocation				
Standard Schools	228,948,930	239,841,002	238,678,950	(1,162,052)
Continuing Education	6,143	3,943	39,425	35,483
Alternate Schools	2,290,680	2,089,525	2,089,525	0
Distributed Learning	3,566,594	2,954,220	2,416,800	(537,420)
Home School Students	24,250	12,250	12,250	0
Course Challenges	35,400	31,980	31,980	0
Enrolment Based Funding (September)	234,871,996	244,932,919	243,268,930	(1,663,989)
Level 1 Special Needs	1,032,000	1,210,950	1,121,250	(89,700)
Level 2 Special Needs	25,663,200	28,770,560	29,408,960	638,400
Level 3 Special Needs	3,584,400	3,687,250	3,332,500	(354,750)
English Language Learning (ELL)	7,691,200	8,048,630	7,893,300	(155,330)
Indigenous Education	1,864,500	1,976,595	1,917,125	(59,470)
Adult Education	165,489	219,748	236,410	16,662
Equity of Opportunity Supplement	894,262	931,990	942,283	10,293
Supplement for Unique Student Needs	40,895,051	44,845,723	44,851,828	6,105
Supplement for Salary Differential	7,784,980	7,702,356	7,647,025	(55,331)
Supplement for Unique Geographic Factors	2,225,991	2,347,587	2,479,811	132,224
Curriculum and Learning Support Fund	277,999	280,578	280,326	(252)
Funding for Other Enrolment Count	10,288,970	10,330,521	10,407,162	76,641
July Enrolment Count	122,173	153,846	1,597,974	1,444,128
February Enrolment Count	3,047,039	2,769,110	2,800,910	31,800
May Enrolment Count	1,363,446	710,975	679,175	(31,800)
Funding for Other Enrolment Count	4,532,658	3,633,931	5,078,059	1,444,128
Internal Holdback	0	0	(788,500)	(788,500)
Ministry of Education Operating Grants	290,588,676	303,743,095	302,817,479	(925,616)
Other Ministry of Education Grants				
Funding for Graduated Adults	1,626,675	1,627,367	1,627,367	0
Pay Equity	706,353	706,353	706,353	0
Teacher Labour Settlement Funding	8,948,339	0	0	0
Early Career Mentorship	695,000	0	0	0
Other MOE and Provincial Grants	245,314	241,362	249,266	7,904
Other Ministry of Education Grants	12,221,681	2,575,082	2,582,986	7,904
Grand Total Ministry of Education Grants	302,810,357	306,318,177	305,400,465	(917,712)

As reflected in the table above, total Ministry of Education grants are expected to decrease by \$917,712, most of which is directly related to net enrollment decreases. The operating grant for 2022/23 does not include any salary and wage increments for teachers and support staff as the new collective agreements are still in the process of being negotiated. Funding for any negotiated and approved increases will be

provided by the ministry as a supplementary grant, separate from the operating grant. As discussed in the enrollment segment, the district is projecting enrollment decreases in all student categories except level 2 students with special needs and adult education. Summer school programs are expected to return to pre-COVID levels, and February and May enrollment projections are expected to remain relatively unchanged.

Grant Funding Shortfall

On March 11, 2022, the Ministry of Education announced the preliminary operating grant for 2022/23 which included \$0 increase in per student grant funding. While the ministry does not specifically explain how or when funding rate increases will occur, the following table captures the mandatory and contractual increases estimated for in 2022/23. While the district received a few minor increases in supplemental funding totalling \$86,934, overall, the district is underfunded by \$5.3M for the upcoming year.

Contractual Increases - Salaries and Benefits	Inc (Decr)
Teachers - step increment	1,890,864
Administrators - step increment and 2% wage increase	406,986
Other Professionals - step increment and 2% wage increase	217,856
Employee Benefits (CPP, EI, WorkSafeBC, Pension, Health Benefits)	2,570,231
Contractual Increases in Employee Salaries and Benefits	5,085,937
Contractual Increases - Services and Supplies	Inc (Decr)
IT contractual increases (existing contracts and licensing)	94,000
Facilities contractual increases (waste, organics, recycling)	89,000
Utilities contractual increases (natural gas and electricity)	139,296
Contractual Increases in Services and Supplies	322,296
Changes in Other Supplemental Funding	Inc (Decr)
Equity of Opportunity Supplement	10,293
Teacher Salary Differential	(55,331)
Geographical Factor Funding	132,224
Curriculum and Learning Support Fund	(252)
Net Increase (Decrease) in Supplemental Funding	86,934
GRANT FUNDING SHORTFALL	(5,321,299)

Other Revenues

International education revenues have been budgeted based on a level of 825 students for 2022/23. Student registrations continue to be affected by the impact of pandemic from the past two years.

The district utilizes a conservative approach to budget international education revenues, which includes only recognizing and utilizing IE revenues once they are realized. This methodology aligns with the multi-year accumulated reserves policy.

Interest income is expected to increase for 2022/23 considering the most recent interest rate increase by the Bank of Canada. SD43 will continue to invest available cash with the ministry's central deposit pooling program in order to continue maximizing interest earnings.

Rental Revenues are expected to recover in 2022/23 as school operations return to normal and facility usage for evenings and weekends rentals return to pre-COVID usage levels. This assumption includes some risk as there remains uncertainty over the potential impact of COVID-19 variants.

Operating Expenses

Salaries

Budgeted operating salaries by employee staffing category and total benefits are summarized in the table below. The net reduction is primarily driven by the decrease in teacher staffing as a result of declining enrollment and the substitute budget reduction is due to the temporary increase required during 2021/22 in order to mitigate the larger COVID-driven absences.

SALARIES AND BENEFITS	Actual 2020/21	Amended 2021/22	Preliminary 2022/23	Variance
Salaries				
Teachers	144,213,853	147,297,758	145,827,151	(1,470,607)
Administrators	16,590,756	17,497,920	17,669,336	171,416
Educational Assistants	20,754,399	22,632,508	23,541,326	908,818
Support Staff	26,408,250	28,399,861	28,309,679	(90,182)
Other Professionals	7,003,888	7,581,516	7,800,147	218,631
Substitutes	7,400,014	10,686,270	9,132,017	(1,554,253)
Benefits	79,402,344	62,701,605	64,388,066	1,686,461
Total Salaries and Benefits	301,773,504	296,797,438	296,667,722	(129,716)

Teacher salaries have been adjusted to reflect the decrease in teacher staffing (-\$2.538M) tied to September enrollment decreases, offset by the cost of step increments for teachers progressing on the teacher salary grid (+\$733k), the increased teacher salary costs associated with summer school enrollment (+\$329k) and the addition of 1.0 FTE teacher funded through enrollment increases in international education (+\$88k). The remaining -\$83k decrease is from budget realignments from the 2021/22 budget.

Teacher salaries do not include adjustment for any potential increments for the new collective agreement that is currently under negotiations with the BCTF. Any salary increments and corresponding funding will be incorporated in the 2022/23 amended budget once an agreement has been ratified.

Education Assistant wages have not been adjusted for any wage increases. The current collective agreement expires on July 1, 2022. Negotiations for the new collective agreement are currently underway and at the time of this report, no agreement has been reached. The budget has been increased to reflect the addition of 7.0 FTE education assistants (+\$272k) and an increase in summer school EA budgets (+\$41k). The remaining budget increase is a realignment of the salary budget, that was transferred to the substitutes budget in 2021/22, as a one-time funding source to offset the increased substitute costs created by the COVID-19 pandemic (+\$597k).

Support staff wages have not been adjusted for any wage increases as the CUPE collective agreement negotiations are currently ongoing as mentioned above. The budget has been reduced to reflect the adjustment of 2.0 temporary caretaking relief positions that were budgeted for due to COVID cleaning requirements (-\$140k) and the reversal of a one-time budget for a temporary records management clerk (-\$25k). The remaining \$75k budget increase is from budget realignments from the 2021/22 budget.

Administrators (Principals and Vice Principals) salary increases are not funded by the Ministry of Education. The district has set aside funds for expected step increments for eligible staff and a general wage increase of 2% (+\$407k). This increase was offset by a realignment of the budget associated with one-time temporary COVID staffing (-\$166k) and -\$70k in 2021/22 budget realignments.



Other Professionals salary increases are not funded by the Ministry of Education. The district has set aside funds to allow for expected step increments for eligible staff and a general wage increase of 2%.

Substitute costs have been reduced to reflect the decrease in TTOC's corresponding to the reduction in teacher staffing (-\$699k), reversal of one-time adjustment for expected increases in absences related to COVID-19 (-\$250k) and the realignment of the budget that was transferred from the education assistant budget to temporarily fund Omicron-driven increased substitute costs (-\$605k). The district will account for additional adjustments to these budgets as part of the amended 2022/23 budget, in February 2023.

All salaries have been adjusted to take into consideration the proposed staffing changes as detailed in the staffing section.

Benefits

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

Canada Pension Plan (CPP): Effective January 1, 2019, the federal government put into effect a plan to increase CPP contribution rates from 4.95% to 5.95% over a 5-year period. At the same time, the year's maximum pensionable earnings (YMPE) are projected to rise to \$65,700 for 2023. The incremental cost associated with the change in contribution rate increase and the maximum pensionable earnings for the 2022/23 year is estimated at 8.1% over the previous year or \$711,408.

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

Employment Insurance (EI): These rates are determined on a calendar year basis and are expected to increase related to increases in maximum insurable earnings. The incremental cost associated with this increase is estimated at 5.5% over the prior year or \$175,938.

Employer Health Tax (EHT): The Provincial Government introduced this new tax effective January 1, 2019, at a rate of 1.95% of payroll. The net incremental cost associated with employee wage increases (and reduced staffing levels) is \$153,375.

Health and Dental Premiums: Health and dental premium rates are reviewed annually and adjusted based on usage and claims experience. Usage is expected increase after a period of lower usage due to the pandemic. The incremental cost associated with this increase is estimated at \$700,000 over the prior year.

WorkSafeBC: WSBC rates are increasing by an average of 12.03% which translates into \$329,510 in additional costs.

Teacher Pension Plan (TPP): The current contribution rate of 11.3% for the TPP will remain unchanged for the 2022/23 school year. The budget for the TPP has been adjusted to reflect changes in salaries.

Municipal Pension Plan (MPP): The current contribution rate of 9.31% for the MPP will remain unchanged for the 2022/23 fiscal year. The budget for the MPP has been adjusted to reflect changes in salaries.



Services and Supplies 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 budget of \$400,000 is held in the supplies budget to address unanticipated, emergent issues should they arise during the year.

SERVICES AND SUPPLIES	Actual 2020/21	Amended 2021/22	Preliminary 2022/23	Variance
Services	7,580,006	8,596,997	8,803,090	206,093
Student Transportation	315,236	431,138	431,138	0
Professional Development	1,181,162	2,434,759	2,261,566	(173,193)
Rentals & Leases	402,894	429,898	429,898	0
Dues & Fees	562,314	559,089	559,089	0
Insurance	1,504,609	1,285,149	1,285,149	0
Supplies	6,968,383	10,200,478	9,229,840	(970,638)
Utilities	4,605,968	5,269,776	5,109,782	(159,994)
Total Services and Supplies	23,120,572	29,207,284	28,109,552	(1,097,732)

Services expense budgets for 2022/23 are anticipated to decrease through the implementation of some operational efficiencies and the reduction of expenses directly related to banking fees (-\$50k), NGN digital services fees (-\$100k) and professional fees (-\$36k). This has been offset by a \$392k budget increase from the realignment of telephone costs that was previously included in utilities which is not in accordance with Ministry of Education operating fund guidelines.

Professional Development budgets were reduced to help offset some of the funding shortfall and mitigate further staffing reductions. Professional development budgets will be revisited in the fall if there is additional funding available to the district.

Supplies budgets have been reduced across all departments and programs to offset the continued grant underfunding and mitigate further staffing reductions. The decrease is comprised of the following:

- -\$380k supply reductions across all departments in the district
- -\$70k furniture and equipment budgets across board office departments
- -\$320k reversal of one-time COVID funding mostly used for additional cleaning supplies
- -\$80k reversal of one-time expenditure for Indigenous literary purchases in 2021/22
- -\$100k reduction in the district contingency budget

Supply budgets will be revisited in the fall if there is additional funding available to the School District.

Utilities expenses have remained relatively consistent over the past few years most notably as a result of COVID-19. The district has implemented energy efficiency initiatives in schools and negotiating progressive purchasing arrangements to reducing energy costs and offset rate increments. Despite these efforts, contractual increases for natural gas, electricity, waste, and recycling, compounded by the impact of increasing inflation (5.7% at the time of this report) requires budget increases of \$232k to maintain current service levels. This increase has been offset by the reallocation of -\$392k in telephone budgets to the services line, in accordance with Ministry of Education operating fund guidelines.

2021/22 Surplus

The forecast for the current year indicates there will likely be an excess of revenues to expenditures for 2021/22. While it is too early to determine the full amount of surplus, the 2022/23 proposed budget includes usage of \$400k in known savings in the current year and \$900k remaining in the Education Sustainability Reserve as supplemental buffer to mitigate some of the staffing reductions that otherwise would be required as we transition from the financial impact of COVID to post-COVID. While this effectively reduces available reserves to address operational requirements for future use, it was necessary to appropriate the known excess in order to prepare a balanced budget as required by the *School Act*.

Accumulated Reserve Policy and Utilization

The School Board has established an Accumulated Operating Surplus policy as part of its multi-year financial approach for stable and sustainable organization health. The following is an excerpt from Policy 23 (Accumulated Operating Surplus) with respect to the allocation of surplus for future year usage:

3.7 Specifically, to the extent that there is an excess of revenues to expenditures (operating surplus) in any fiscal year the Board will allocate these funds as follows:

3.8 An Education Sustainability Reserve Account is to be established over a five-year period beginning in 2021, at an amount that represents 15% of the average of the preceding three years total International Education revenues and funded through surplus in excess of 2% of total operating revenues until this objective is achieved.

a. Use of funds from this reserve is subject to Board approval as evidenced through the approval of the Preliminary or Amended Budget process or by specific Board motion.

3.9 25% of the balance of the operating surplus funds be directed and restricted for one-time opportunities primarily associated with technology, educational initiatives, and deferred maintenance of facilities. This amount will not exceed \$1.25 million annually.

3.10 The balance of operating surplus funds will be restricted and allocated equally over the subsequent three fiscal years, not including the immediately following year; the purpose of which is to support student success in alignment with the strategic plan.

3.11 The funding allocation shall not be more than the current year aggregate surplus budgeted in the year unless approved by the Board.

3.12 Any remaining unallocated surplus funds will be restricted and placed into a fiscal year following the three-year period noted above.

This approach provides for consistent financial allocations for staffing as achieved in previous years while reducing volatility by smoothing peak surplus years. The education sustainability reserve provides a funding source for one-time 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 ministry funding formula unfold.

Funds set aside for technology facilitate the sustainable, equitable and secure provision of needed student computing devices. These funds ensure students have equitable access to technology in order to meet emerging learning needs while also ensuring devices remain current enough to accommodate modern security standards, protecting the district from the increasing threat of cyber-related liabilities. Along with promoting educational equity, this commitment directly supports *Directions 2025* Strategic Goal #1: Intellectual Development; Goal #3: Fostering a Sustainable Educational Organization; and the Technology cross-cutting theme.



SPECIAL PURPOSE FUND BUDGET

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.

The special purpose funds account for approximately 11-12% of the school districts expenses and include approximately 24 different funds as summarized below. A full description of each of the special purpose funds has been provided in [Appendix D](#).

	Amended 2021/22	Preliminary 2022/23	Variance
Deferred Revenue, beginning of year	12,908,036	12,930,949	22,913
Total Contributions Received	56,856,955	58,165,860	1,308,905
Less: Allocated to Revenue or Recovered by MOE	(56,834,042)	(59,397,197)	(2,563,155)
Deferred Revenue, end of year	12,930,949	11,699,612	(1,231,337)
Total Allocated to Revenue	56,547,952	59,397,197	2,849,245
Total Expenses	56,547,952	59,397,197	2,849,245
Net Revenue (Expense)	-	-	-

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.

Special Purpose Fund	Amended 2021/22	Preliminary 2022/23	Variance
Annual Facilities Operating Grant (AFG)	1,115,585	1,139,837	24,252
Official Languages Education in French Programs (OLEP)	513,344	525,387	12,043
CommunityLINK (CLINK)	1,550,630	1,550,630	0
Strong Start (SS)	465,870	416,000	(49,870)
Ready Set Learn (RSL)	118,402	112,700	(5,702)
Learning Improvement Fund (LIF)	1,055,631	1,033,399	(22,232)
Classroom Enhancement Fund - Staffing (CEF)	36,130,385	36,720,386	590,001
Classroom Enhancement Fund - Overhead (CEF)	2,194,412	2,194,412	0
Classroom Enhancement Fund - Remedies (CEF)	2,254,014	-	(2,254,014)
Contractual Reserves	200,000	200,000	0
School Generated Funds (SGF)	6,000,000	11,000,000	5,000,000
Provincial Resource Program -Day Treatment (PRP)	150,877	168,423	17,546
Sick Leave Benefit Plan (SLBP)	105,300	105,300	0
Settlement Workers in Schools (SWIS)	845,893	857,711	11,818
Language Instruction for Newcomers (LINC)	2,276,539	2,442,334	165,795
Apprenticeship Program	217,863	225,000	7,137
Mental Health in Schools	113,780	47,000	(66,780)
Changing Results for Young Children	17,678	6,000	(11,678)
First Nation Student Transportation Fund	43,475	37,285	(6,190)
IRCC Career Program	53,931	-	(53,931)
Federal Safe Return to Class	-	-	0
Safe Return to School / Restart: Health and Safety	733,663	-	(733,663)
Retiree Extended Health Fund	100,000	100,000	0
Others (Scholarships, Interest, Staff Development)	290,680	515,393	224,713
TOTAL	56,547,952	59,397,197	2,849,245

Classroom Enhancement Fund

Background:

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 2016 Supreme Court of Canada decision.

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 cost is captured in the table below.

	Amended 2021/22		Preliminary 2022/23		Variance	
	FTE	\$	FTE	\$	FTE	\$
Teachers	302.95	34,835,276	307.95	35,403,902	5.00	568,626
TTOC's		1,295,109		1,316,484	-	21,375
EA's	33.00	1,696,563	33.00	1,696,563	-	-
Administrators	1.00	401,849	1.00	401,849	-	-
Other Expenses		96,000		96,000	-	-
Remedy Costs		2,254,014		-	-	(2,254,014)
TOTAL	336.95	40,578,811	341.95	38,914,798	5.00	(1,664,013)

The district is required to record and report on actual costs incurred, and these amounts may be reduced by the Ministry of Education to reflect actual costs.

In mid October, school districts are required to submit their final staffing plans that reflected actual staffing. Submissions are reviewed by ministry staff and final allocations are confirmed along with our operating grant in December 2022. To ensure SD43 is receiving the appropriate level of funding, close monitoring of implementation occurs throughout the school year. SD43 actual projected costs including salary increments and incurred remedy liabilities are summarized in the chart above.

CEF funding is made of three separate components: teacher staffing, overhead costs, and remedy.

	Amended 2021/22		Preliminary 2022/23		Variance	
	FTE	\$	FTE	\$	FTE	\$
Teacher Staffing	302.95	36,130,385	307.95	36,720,386	5.00	590,001
Overhead Costs	34.00	2,194,412	34.00	2,194,412		-
Remedy		2,254,014				(2,254,014)
TOTAL	336.95	40,578,811	341.95	38,914,798	5.00	(1,664,013)

Pending additional information for 2022/23, the teacher staffing component of the CEF budget is based on current year staffing and then adjusted for expected staffing increases from classroom additions, non-enrolling ratios and the use of a “flex factor” based on current year staff levels. To this extent SD43 is estimating a need for an additional 5 FTE teaching staff that will assist in offsetting the reduction in operating grant underfunding and international education revenues. Budgeting for these additional 5 positions is a risk as funding is not confirmed until December. In the event funding is not forthcoming, these positions will be utilized as TTOC's and other costs will be directed into remedy liabilities.

The overhead cost component provides funding for cost such as additional educational assistants, mentoring cost of new teachers, some administrative cost of remedy tracking, and costs related to relief time for teachers to complete Individual Education Plans (IEP's).

Initial remedy funding will be based on actual October 2022 remedies incurred and adjusted for actual expenses at the end of the year.

Mental Health in Schools

Included in the 2021/22 fiscal year is the Mental Health in Schools fund, a combination of \$64,033 one-time COVID-19 Recovery Plan funding and \$47,000 Early Actions Initiative funding. The purpose of this fund is to assist in addressing the mental health impact of the pandemic on students and staff members. The district anticipates ministry support for mental health and well-being to continue in 2022/23 but as at the time of the report no amount has been confirmed by the ministry.

Federal Safe Return to Class Fund/ Ventilation Improvements

In December 2021, the Federal Government committed to additional funding of \$547,932 for ventilation that would be provided through the *Federal Safe Return to Class Fund*. The funds are currently outstanding and anticipated to be received by Spring 2022 which is why it has not been included in our 2021/22 Amended Budget.

The purpose of the funding is to reduce the transmission of COVID-19 by increasing outdoor air intake and/or increase air cleaning in schools. SD43 has currently expended \$340k of the total funding for over 220 individual standalone HEPA filtration units for classrooms with non-mechanical ventilation systems. The remaining portion of the one-time grant funds are to be expended for HVAC system upgrade initiatives completed by November 2022. The district is not expecting any additional federal funding in 2022/23 which is why the preliminary budget is \$0.

Safe Return to School / Restart: Health and Safety

In 2021/22, the Ministry of Education provided \$733,663 in one-time grant funding as part of its *Restart Funding* to continue to address the lingering effects and impact of COVID-19 in the schools and classrooms. The funding provided was used to extend 10 temporary custodial staffing for enhanced cleaning to promote the health and safety of all staff and students. The district is not expecting any additional funding in 2022/23 to address any COVID related expenses. The staffing added during 2021/22 through this funding will be removed.

School Generated Funds

This SPF is the total accumulated funds held by all individual schools. Each school has its own bank account comprised of moneys raised through fundraising, cafeteria revenue, school store revenue, and various other activities. The \$5M increase to the 2022/23 Preliminary budget is based on the expectation that more funds will be collected (and expensed) as schools return to pre-COVID levels of operating activities.



CAPITAL FUND BUDGET

This fund includes capital expenditures for land, buildings, computer hardware and software, vehicles and equipment that are funded from the ministry 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.

The table below summarizes the estimated revenues and expenses for the 2022/23 preliminary budget.

Capital Fund	Amended 2021/22	Preliminary 2022/23	Variance
Revenues	16,310,000	16,835,000	525,000
Expenses	21,400,000	21,400,000	0
Capital Surplus (Deficit) for the year	(5,090,000)	(4,565,000)	525,000
Transfers from Operating Fund	8,500,000	4,500,000	(4,000,000)
Change in Accumulated Surplus	3,410,000	(65,000)	(3,475,000)
Opening Accumulated Surplus	207,821,742	211,231,742	3,410,000
Closing Accumulated Surplus	211,231,742	211,166,742	(65,000)

Capital revenues are comprised of numerous capital categories:

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, capital portion of the Annual Facility Grant, carbon neutral capital project funding, playground equipment funding.

Ministry of Education Restricted Capital

Ministry of Education restricted capital represents the ministry's portion (usually 75%) of proceeds on disposal of land and buildings, and any bylaw project surpluses on completed projects. The ministry's approval must be received to spend these funds.

School Site Acquisition Charge (SSAC)

These funds represent amounts collected by the district from the municipalities and villages for future school site land purchases as identified in the capital plan. Local governments collect these charges from building developers for new residential parcels to be created and new multiple family residential units to be constructed. The funds may only be used to purchase ministry approved sites for new schools.

Local Capital Reserve

Comprised of the board's local capital reserve, local revenue, school referendum taxes, transfers from the district's operating fund, or any other grant designated by the ministry. The reserve is designated for local capital expenditures and the balance is restricted specifically for board approved projects.

Annual Facility Grant (AFG)

The Annual Facility Grant is funding provided by the Ministry of Education for designated school capital or maintenance upgrades including roof replacements, mechanical, HVAC, floor, site, paving and lighting

upgrades as well as exterior painting. On March 11, 2022, the Ministry of Education has confirmed a contribution of \$5.7M for 2022/23.

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.

Ongoing renewal of technology infrastructure is funded from the operating fund and subsequently capitalized through a transfer to capital. Annually, any unspent funds remaining under the infrastructure operating budget is transferred to local capital as a stabilizing provision for fluctuations in major hardware purchases that can occur from one year to another.

Capital Developments

The following details major planned and in-progress capital projects:

Coast Salish Elementary (new school)

Located in the Burke Mountain area of Coquitlam this new elementary school is currently under construction, with an expected opening date of Fall 2022.

Education Learning Centre

The new Educational Learning Centre (ELC) will be located at the Winslow Centre Campus and will consolidate functions that are currently performed at multiple facilities throughout the district. As of this report date, construction is 93.8% complete, with an anticipated occupancy date of Summer 2022.

Middle/Secondary Burke Mountain School: This site for a middle and secondary school includes the provision for the City of Coquitlam to develop the play field infrastructure, which was provided by Wesbild, a land developer. All required planning reports have been submitted to the Ministry for this much needed school in a growing community. With an estimated total cost of \$150M, this would be the most expensive school ever built in the history of BC. In order to advance this project, the district has entered into a tentative agreement with the Ministry to contribute \$25M towards the cost of this capital project subject to ministry approval for the remaining capital contribution. Additional details are provided later in this report.

Other major capital developments currently in progress include:

Facility Name	Project Description	Est. Completion Date
Centennial Secondary – NLC Building	Seismic Replacement	Fall 2022
Panorama Elementary	Four Classroom Addition	Fall 2022
Irvine Elementary	Seismic Replacement	Winter 2023
Moody Elementary	Seismic Replacement	Fall 2025
Pinetree Way Elementary	Envelope Replacement	TBD
Roy Stibbs Elementary	Envelope Replacement	TBD
Bramblewood Elementary	Envelope Replacement	TBD
Mountain Meadows Elementary	Envelope Replacement	TBD



FINANCIAL STABILITY AND OTHER SIGNIFICANT ITEMS

In 2017 an enterprise risk assessment was completed which identified 29 areas of risk. The board is provided with an annual update on the activities 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.

COVID-19

For the past two years, COVID-19 had a profound impact on our daily lives. It impacted the delivery of education and school district operations, as well as how we socialized and interacted with each other. Despite indications that COVID-19 restrictions will soon be completely lifted, there are still significant lingering effects of the pandemic on the district, including:

- Uncertainty as to the comfort and level of safety that students and parents will have
- The likely expectation, to some degree, for the continuation of enhanced cleaning protocols next year without any additional funding.
- An unknown impact of the summer learning program in 2022
- Unknown impact from the spread of new variants
- Rebuilding the International Education program to pre-COVID enrollment levels taking a few years.

As seen below, when comparing the change in overall teacher staffing to pre-COVID levels, most of the reductions are related to enrollment decreases in the international education program and teachers funded from these revenues. Reductions in non-international related staffing (-61.17 FTE) was more than offset by increases in CEF related staffing (+74.10 FTE).

TEACHERS	Actual 2019/20	Preliminary 2022/23	Variance
Operating Fund	1,675.45	1,614.28	(61.17)
International Education	124.00	51.00	(73.00)
Classroom Enhancement Fund	233.80	307.90	74.10
Special Purpose Fund (excl CEF)	13.64	14.04	0.41
COVID - one time funding	0.00	0.00	0.00
TOTAL	2,046.88	1,987.22	(59.66)

International Education

The school district is relies heavily on the International Education program to provide a significant source of additional revenue funding to reduce the gap created through grant funding shortfalls. This was never more apparent than during the past two years and in planning for next year. In recent years, the board has moved to adopt best practice which requires the district to recognize the net income from these programs prior to deploying these funds. The 2022/23 international education budget is based on the following financial impact assumptions:

- Travel restrictions and visa delays continue to negatively impact the program
- International education provided enriched staffing and education programming benefiting all students annually. This will continue to be affected as an outcome of lower enrollment
- The international education program provides a large portion of the funds that underpins the accumulated surplus policy, which in turn provides ongoing stability and sustainability. This is likely to be reduced in future years unless enrollment improves.



Grant Revenue

Underfunding of Wage Settlement and Employer Health Tax

The operating grant is the single largest source of funding for the school district's operating expenses. The Ministry of Education provides funding based on student enrollment, unique student needs as well as some other supplemental funds. In recent years, salary and wage settlement grant funding for teachers, education and support staff has not been adequate to fully fund the collective agreement requirements. Furthermore, the Ministry of Education does not fund for teacher step increments or wage increases for administrators (principals and vice-principals) or other professionals. In addition, the employer health tax (which replaced the medical services premium program) and the additive costs were not fully covered by grant revenues.

This level of underfunding is not sustainable and cannot be absorbed by the district without reductions elsewhere. The district already spends less than 10% of its operating expenses on services and supplies and has little ability for further reductions in this area. Benefit costs are also rising and are contractual in nature and therefore cannot be reduced or avoided. As depicted on page 20, the sum of contractual increases amounts to \$5.41M for the 2022/23 preliminary budget.

Grant Funding Model Implementation

During 2018 the Ministry of Education initiated a review of the existing 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.

On February 7th of 2020, the ministry announced that it would implement the recommendations in two phases. Phase 1 recommendations were implemented in the 2020/21 school year. The recommendations were primarily associated with accountability and financial matters, and included the following additional reporting:

1. Strategic Plans developed by the board and based on ministry-established goals
2. Operational plans to deliver on the stated goals
3. Financial Statement Discussion and Analysis (FSD&A) report
4. Budget and Multi-Year plan report
5. Board approved Accumulated Operating Surplus Policy

All of the above reporting is prepared or updated annually and takes a significant number of resources and time from district staff. Phase 1 also included the implementation of a new grant – Equity of Opportunity - which replaced the Vulnerable Student grant and resulted in reduced funding.

Phase II recommendations, primarily associated with funding equity, was delayed due to the pandemic. There are several recommendations in Phase II that could have a significant negative impact on current levels of ministry funding to our school district. These include:

- 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

With no new funds to be injected into the K-12 Education system, changes to the current funding model (as in part already realized) has the potential to negatively impact our school district as grants are redistributed to other school districts.

At this time the financial components of the new funding model are postponed until at least the 2023/24 fiscal year due to the significant impact of COVID-19 over the past 2 years.



Facilities – Capital Funds

As previously reported, tackling system stresses to address increased demand for enrollment space in elementary schools, especially in the northeast sector of the 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.

The requirement to comply with collective agreement restored language places an increased burden and demand on class space. Unrestricted local capital is essentially \$0 creating an 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 augment available provincial funding for facility requirements. The need to provide for an adequate surplus to address this risk is critical.

Burke Mountain

On March 1, 2022, the board approved to engage in an agreement with the Ministry of Education to provide \$25M of funding over 5 years to proceed with the construction of Burke Mountain school. This building will operate first as a middle/secondary school as the Burke Mountain area has seen exponential increases in population growth in recent years. While the school is absolutely necessary to meet the needs of this growing community, it will place a financial strain on the rest of the district's future operations. The current year funding allocation is broken down into the following:

in 000's	2021/22A
Local Capital and Ministry Restricted Funds:	
Scott Creek Middle Addition	10,000
Other capital projects	2,000
Transfers from Operating Budget:	
Remaining Balance in Pension Stabilization Account	2,300
Eliminated NTPP contributions	1,000
2021/22 Surplus - Stabilization Reserve	1,700
2021/22 Forecasted Surplus	1,000
Sub-Total	18,000

The \$12M contribution from local capital includes \$10M that was previously set aside for Scott Creek Middle classroom addition. Part of the agreement with the Ministry of Education includes the guarantee that the Ministry will pay the full cost of the addition project. The other \$2M are funds recaptured from other capital projects that can be allocated to Burke Mountain as ministry restricted capital funding.

The \$6M contribution from the operating budget includes \$2.3M remaining balance in the Pension Stabilization Account which can be released due to the termination of the non-teaching pension plan (NTPP). Another \$1M will come from savings in the NTPP wind-up expenses and solvency reserve funds that are also made available as a result of the NTPP termination. \$1.7M will be allocated from the Education Stabilization Reserve and the remaining \$1M will be allocated from the current year's potential surplus, which arises from unexpected additional revenues and underspending of expenses that have yet to be realized.

Transfers from Operating Budget (in 000's)	2022/23P	2023/24	2024/25	2025/26	Total
Eliminated NTPP contributions	1,000	1,000	1,000	1,000	4,000
Potential Operating Surplus	1,000	1,000	1,000		3,000
Sub-Total	2,000	2,000	1,000	1,000	7,000

The remaining \$7M contribution will be provided by the ongoing \$1M in annual savings from NTPP contributions that are no longer required. The final \$1M in annual contributions will come from potential operating surpluses occurring from unbudgeted additional revenues or underspending of budgeted expenses. This example illustrates the financial stress placed on the district by the ministry to contribute towards capital projects.

Classroom Enhancement Fund (CEF)

Classroom Enhancement Funding resulted from the restoration of collective agreement language associated with class size and class composition. In 2021/22 the total CEF budget – excluding remedy costs – totaled \$38.3M. At the March grant funding announcement, the ministry confirmed it will provide 100% of this amount for budget planning purposes. However, additional funding requirements for staffing and remedies will not be confirmed until December 2022, well after staffing contracts have been confirmed and classroom organization completed which can pose a challenge to the district.

Student Mental Health and Vulnerable Children

The issues of mental health and that of vulnerable children was a concern to SD43 well before the pandemic. COVID-19 has worsened these issues as socialization, personal interaction and program delivery have been severely impacted. The degree to which school districts can provide these services and supports is challenging, as grant funding for programs such as CommunityLink and Equity of Opportunity Supplement remains relatively unchanged and underfunded. To meet the growing demands for support in these areas requires a shift of funding from classroom education. In early 2022, the school district established a Mental Health Task Force with community partners to build systems for students and staff to access various support services during school and non-school hours. The Task Force will serve as a connection between the school district, municipalities, and community partners.

Ministry of Education Mandate Letter

With the most recent provincial election a new ministerial mandate letter was issued in November 2020. While all elements of the mandate are important, there are several that suggest the need for either additional financial resources or a redirection of financial resources. This includes the following extracted from the letter:

- *Work with the Minister of Children and Family Development and the Minister of State for Child Care to integrate child care into the broader learning environment by developing a strategy to move delivery of child care into the Ministry of Education by 2023.*
- *Support the Minister of State for Child Care and the Minister of Children and Family Development to work toward providing universal access to before and after school care, prioritizing care on school grounds so parents know their children are safe at one place for the full work day.*
- *To help make sure students are properly fed for learning, work with school districts to create more local school meal programs based on district data and priorities, and work with the Minister of Agriculture, Food and Fisheries to integrate Feed BC into this plan so that districts can include locally grown food.*
- *Deliver targeted investments to help make sure students have the classroom supplies they need to succeed, so parents and teachers don't have to pay the full cost out-of-pocket.*

As a step towards achieving some of the childcare priorities set in the mandate letter, the provincial government recently announced that responsibility for childcare will be transitioning to the Ministry of Education in April 2022. One year earlier than outlined in the mandate letter. This will bring a regional view to childcare and help government fund new spaces in areas where the need is greatest, including rural, northern and interior communities.

On February 22, 2022, the government released Budget 2022 and announced new supports for childcare and school based early learning programs including the expansion of the Seamless Day Kindergarten (SDK), Just B4 (JB4) and Strengthening Early Years to Kindergarten Transition (SEY2KT) initiatives. These programs are intended to integrate childcare into the broader learning environment.

SD43 has already maximized its underutilized classroom and space capacity in providing childcare – including, pre-kindergarten and before and afterschool care. To increase childcare spaces further, SD43’s strategy is to explore offerings in schools that currently do not have before or after school care, investigate expanding offerings in current Strong Start Classrooms, and work with existing on-site providers and independent providers to modify age offerings to minimize competing with any services provided by the district.

The integration of before and after school childcare will likely have a profound operational and financial impact on school operations. None of the impact of these elements known at this time and are therefore not included in the current or multi-year financial forecasts at this time.





MULTI-YEAR FISCAL PLAN

MULTI-YEAR FISCAL PLAN

The multi-year operating plan below spans the 2022/23 – 2024/25 fiscal years. The 2022/23 represents the preliminary budget for next year and incorporates the information from the previous section. Assumptions are based on the most recent information available at the time of this report and are updated for known changes annually. The effects of COVID-19 on international education revenues, student enrollment and surplus reserves, coupled with the transfer of funds for the Burke Mountain capital project, have been incorporated in the two-year fiscal plan (2023/24 – 2024/25) below.

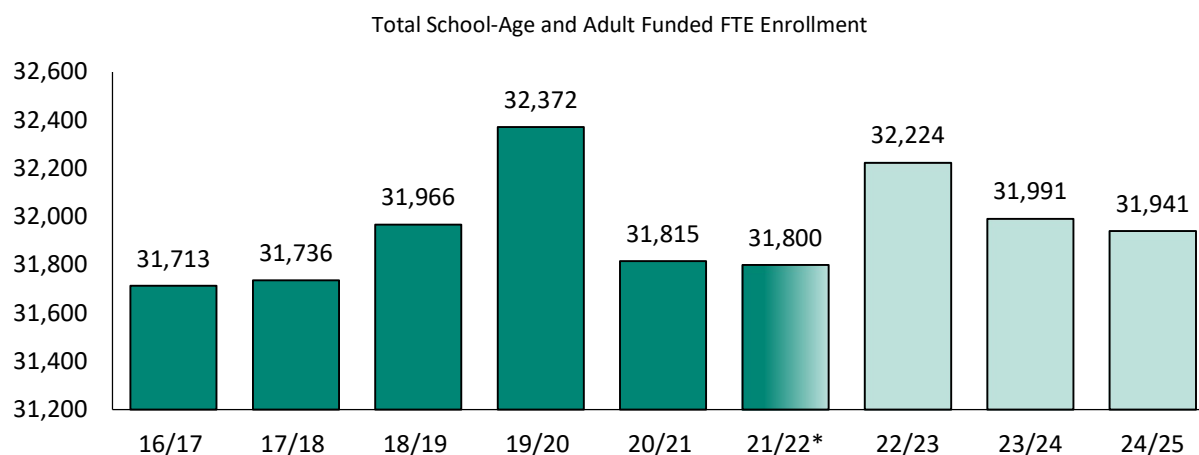
	Actual 2020/21	Amended 2021/22	Preliminary 2022/23	Budget 2023/24	Budget 2024/25
Provincial Grants - Ministry of Ed.					
Operating Grant, Ministry of Ed.	290,588,676	303,743,095	302,817,479	306,457,086	311,591,385
Other Provincial Grants	12,221,681	2,575,082	2,582,986	2,594,059	2,599,059
Provincial Grants - Other (MCFD)	51,072	51,072	51,072	51,072	51,072
Other Revenue					
Continuing Education	523,753	354,616	354,616	525,000	600,000
Offshore Tuition Fees	20,081,360	14,262,000	14,674,500	20,004,000	23,997,000
Miscellaneous	750,311	656,343	587,278	656,343	725,408
Rentals and Leases	1,146,038	1,408,296	1,808,296	1,858,296	1,908,296
Investment Income	1,622,870	1,151,047	1,351,047	1,551,047	1,751,047
TOTAL OPERATING REVENUE	326,985,761	324,201,551	324,227,274	333,696,903	343,223,267
Salaries					
Teachers	144,213,853	147,297,758	145,827,151	150,217,741	154,344,865
Principals and Vice Principals	16,590,754	17,497,920	17,669,336	18,022,723	18,383,177
Educational Assistants	20,754,399	22,632,508	23,541,326	24,068,327	24,705,216
Support Staff	26,408,250	28,399,861	28,309,679	28,875,873	29,453,390
Other Professionals	7,003,888	7,581,516	7,800,147	7,956,150	8,115,273
Substitutes	7,400,014	10,686,270	9,132,017	9,232,017	9,332,017
Employee Benefits	79,402,344	62,701,605	64,388,066	66,390,350	68,084,480
Total Salaries and Benefits	301,773,502	296,797,438	296,667,722	304,763,180	312,418,418
Services & Supplies	23,120,572	29,207,284	28,109,552	29,507,403	30,429,235
TOTAL OPERATING EXPENSES	324,894,074	326,004,722	324,777,274	334,270,583	342,847,653
NET REVENUE (EXPENSE)	2,091,687	(1,803,172)	(550,000)	(573,680)	375,614
Interfund Transfers	(11,427,568)	(8,500,000)	(4,500,000)	(4,500,000)	(2,500,000)
Use of Accumulated Reserves	9,335,881	10,303,172	5,050,000	5,073,680	2,124,386
Operating Surplus for the Year	0	0	0	0	0
Reserves (Deficit) Beg. of the Year					
Reserves Utilized	(9,335,881)	(10,303,172)	(5,050,000)	(5,073,680)	(2,124,386)
Reserves (Deficit) End of the Year	23,677,425	13,374,254	8,324,254	3,250,574	1,126,188
Pension Stabilization Account	2,313,266	2,313,266	0	0	0
Internally Restricted	21,364,159	11,060,988	8,324,254	3,250,574	1,126,188
Reserves (Deficit) End of the Year	23,677,425	13,374,254	8,324,254	3,250,574	1,126,188

The following pages provide more comprehensive information on the assumptions used in arriving at the projections for 2023/24 and 2024/25. SD43 anticipates a partial recovery of international education revenues to pre-COVID levels in 2023/24, and a nearly balanced budget by 2024/25 that can be managed without impacting existing resources. The projection outcome becomes less certain further into the future due to unknown changes in ministry funding, inflationary increases an international education revenue.

The Ministry of Education announces grant funding for the following school year every March, which means the district only has some certainty with respect to funding for the next fiscal year. As such, the multi-year operating plan requires the district to make assumptions around enrollment and per student grant funding which makes up the basis for the operating grant.

Enrollment

Student enrollment was significantly affected by the COVID-19 pandemic for the past two fiscal years. The biggest reason for the decrease in total enrollment was mostly due to the summer learning program. For the past two years, in-person summer learning program was provided to students in grades 1 to 9 on a limited basis. Regular, in person summer learning for students in grades 10-12 was cancelled due to COVID and offered through the on-line Summer Fast-Track program. This resulted in a decrease of over 700 FTE compared to 2019/20 (from 766 in 2019/20 to 37 in 2020/21 and 54.50 in 2021/22.) Summer enrollment is projected to return to pre-COVID levels for July 2022 at 702.50 FTE. Subject to any new developments with the COVID-19 pandemic, relatively stable increases for summer learning are predicted in subsequent years. At the time of this report, the May student enrollment count for 2021/22 has not been confirmed. In the graph below, the faded bar for 2021/22 reflects the total enrollment for the year and is faded to illustrate the May enrollment count.



*21/22 represents the Amended Budget. Actual figures will be confirmed at year end.

While growth does appear to be occurring at the elementary grades, this is offset by declining enrollment at the upper grades, resulting in lower overall enrollment for the district. Information used to determine enrollment is provided by the Ministry of Education, independent sources of demographic information, and SD43 internal resources. All data indicators, including housing development data collected from the municipalities, point to continued student enrollment decline over the next two years. This is cause for concern as the ministry grant funding is based on student enrollment and this type of funding accounted for 92.62% of all revenues in 2020/21. Changes to enrollment could result in significantly less funding, which creates a ripple effect on the district operations in the current and future years.

Conversely, the district is experiencing growth in four areas: Burke Mountain, Coquitlam Centre, Burquitlam-Lougheed, and Moody Centre. New housing developments do not necessarily generate new enrollment, but often create a shift of enrollment geographically within SD43. These new developments do however put additional pressure for capital needs for new schools or additions to existing schools.

Staffing

Staffing levels are driven by various factors including student enrollment, educational needs, grant funding, and organizational capacity. The table below captures our projected operating staffing by staffing groups over the next three years.

	20/21	21/22A	22/23P	23/24	24/25
Teachers	1,614	1,645	1,614	1,610	1,607
Teachers - International Ed	62	50	51	73	87
Principals/Vice Principals	125	126	126	126	126
Other Professionals	69	69	69	69	69
Educational Assistants	567	591	598	600	604
Support Staff	548	552	550	550	550
SUB-TOTAL	2,983.59	3,032.68	3,008.28	3,026.49	3,042.79

The following assumptions were used in the budget and multi-year projections:

- Teacher staffing levels are expected to continue trending towards pre-COVID levels as international education enrollment begins to recover
- Ministry funded staffing levels are expected to decrease in correlation to declined student enrollment
- The amount of education assistants is expected to increase as the number of level 2 students with special needs are projected to increase
- Other staffing additions may occur if other sustainable funding sources are identified.

The table below shows year-over-year incremental staffing changes per group.

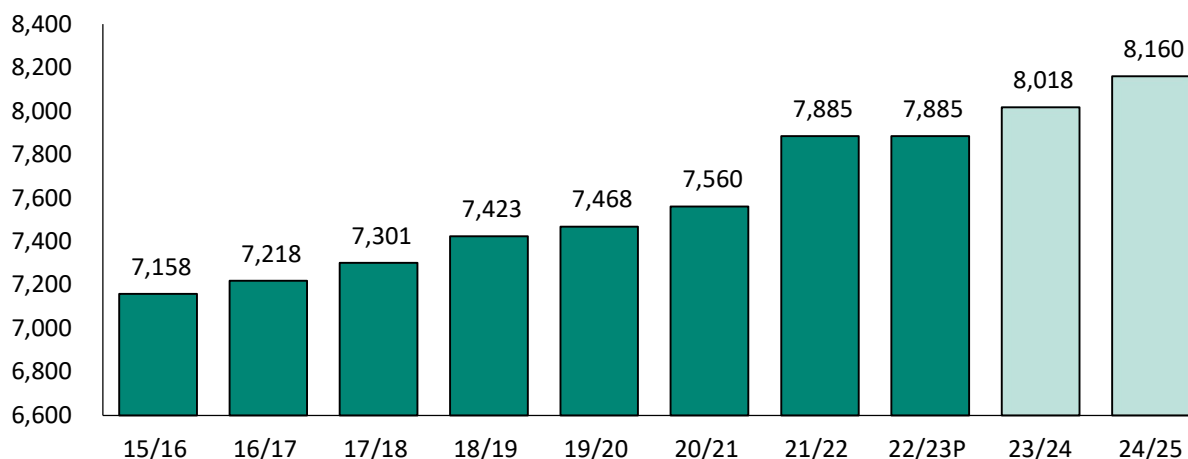
	20/21	21/22A	22/23P	23/24	24/25
Teachers	(61.57)	30.81	(30.40)	(4.76)	(2.17)
Teachers - International Ed Funded	(62.00)	(12.00)	1.00	21.58	14.67
Principals/Vice Principals	0.00	1.00	0.00	0.00	0.00
Other Professionals	0.00	0.00	0.00	0.00	0.00
Educational Assistants	14.67	24.83	7.00	1.40	3.80
Support Staff	3.24	4.45	(2.00)	0.00	0.00
SUB-TOTAL	(105.67)	49.09	(24.40)	18.21	16.29

While staffing levels trend toward pre-COVID levels, it will likely take several years for the international education program enrollment is to be fully re-established. Education assistant staffing changes are in direct correlation to the number of Level 1, 2, and 3 students.

Revenues

Grant Revenues

Per student grant funding will likely only increase to cover negotiated wage settlement increases, as historically depicted below. The increase in per student funding has not been enough to cover the increased costs of all staffing, benefits and expenses as depicted on page 20. The ministry has stated several times it does not fund for inflation. This is even more concerning as Canada entered a 40-year high inflation rate at the time of this report. The district is expected to absorb inflationary costs within its own budget.



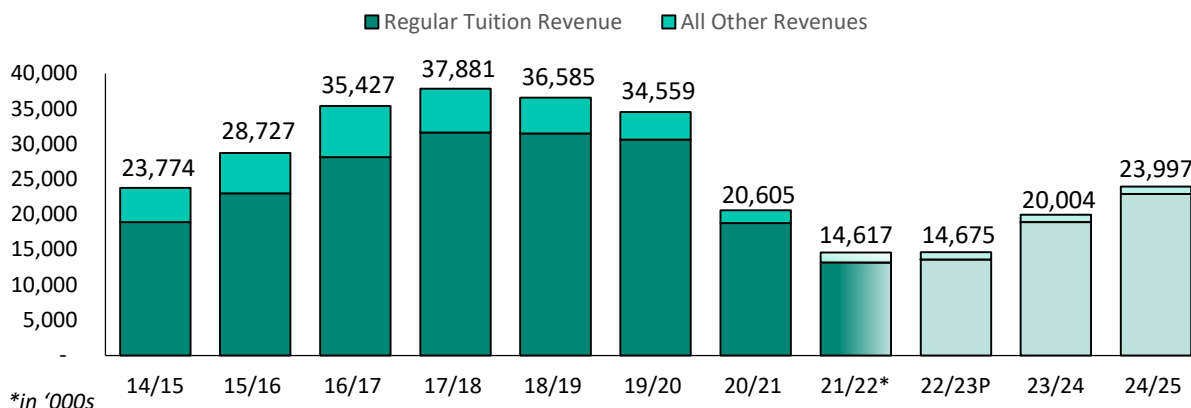
The chart below provides details on the estimated enrollment levels for the next three years and the corresponding funding per FTE.

	FTE Sept Enrollment			Per Student Funding		
	22/23P	23/24	24/25	22/23P	23/24	24/25
Basic Allocation - Standard Schools	30,170	30,050	30,000	7,885	8,018	8,160
Basic Allocation - Continuing Education	5	1	1	7,885	8,018	8,160
Basic Allocation - Alternate Schools	265	265	265	7,885	8,018	8,160
Basic Allocation - Distributed Learning	380	380	380	6,360	6,360	6,360
Home School students (Headcount)	49	49	49	250	250	250
Course Challenges (Number of)	130	130	130	246	246	248
Supplement for Unique Student Needs						
Level 1 Special Needs	25	25	26	44,850	45,830	46,832
Level 2 Special Needs	1,382	1,388	1,395	21,280	21,745	22,221
Level 3 Special Needs	310	300	300	10,750	10,985	11,225
English Language Learning (ELL)	4,980	5,030	5,050	1,585	1,615	1,640
Indigenous Education	1,225	1,220	1,220	1,565	1,615	1,650

At this time, the base per student funding is forecasted to remain at \$7,885 for 2022/23. SD43 has budgeted for anticipated funding increases to cover contractual wage increases for teachers and support staff (CUPE and EA's) through fiscal years 2023/24 – 2024/25. As previously mentioned, the ministry does not fund salary increases for administrators, other professionals, and benefit increases and so the district must fund these increases within the existing available budget.

International Education Revenue

The international education program enrollment (primarily in middle and secondary schools) only utilizes space in classrooms that would otherwise go unused by students who reside within the boundaries of the SD43. The effects of the COVID-19 pandemic are clear, as revenues took a significant hit in the previous year. It is anticipated that international education revenues will take several years to return to pre-COVID levels, extending well beyond the 2024/25 fiscal year. The following two graphs include a faded bar for 2021/22, which is meant to illustrate that these are current year budget numbers and are not yet finalized.



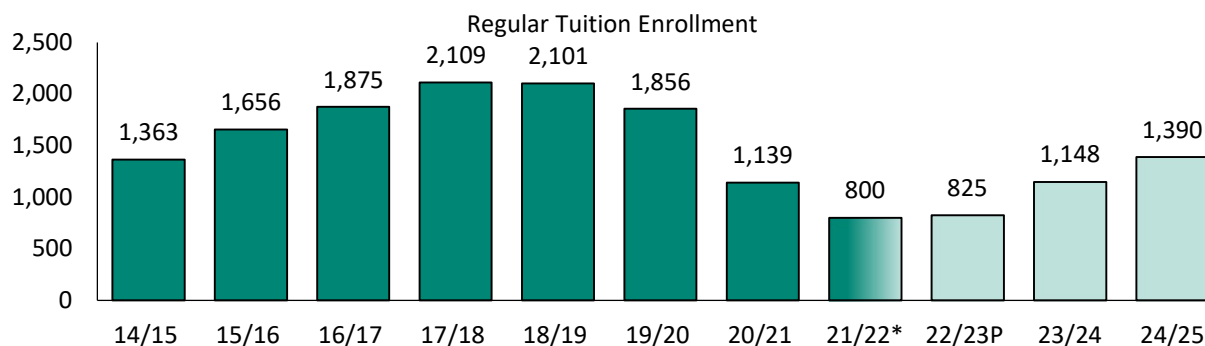
*in '000s

*21/22 represents the Amended Budget. Actual figures will be confirmed at year end.

Assumptions considered when calculating the budget and multi year projections:

- There are no immediate plans to increase international education tuition over the next 3-years. The on-going effects of COVID-19, IRCC study permit changes, Canadian relations with foreign countries, all affect how and when the SD43 decides to increase international student tuition fees.
- 2nd semester enrollment and other international education revenues are not recognized until the count is confirmed and all tuition fees are paid.
- In order to budget adequate staffing, benefits, and expenses, IE enrollment and related revenues are reset each year to a base student enrollment level. This means the multi-year estimates for revenues and expenses will likely change annually as it is updated for actual student enrollment.

Regular program student enrollment (students enrolling in regular school programming from Sept-June) make up most students within the international education program and are the largest driver of tuition revenues as illustrated above. In the graph below, the 800 FTE enrollment for the current fiscal year (2021/22) is based on the amended budget. The district anticipates actual enrollment to be projected higher but will not be confirmed until June 30. The final enrollment figures will be included in the districts 2021/22 FSD&A report, released in September 2022.

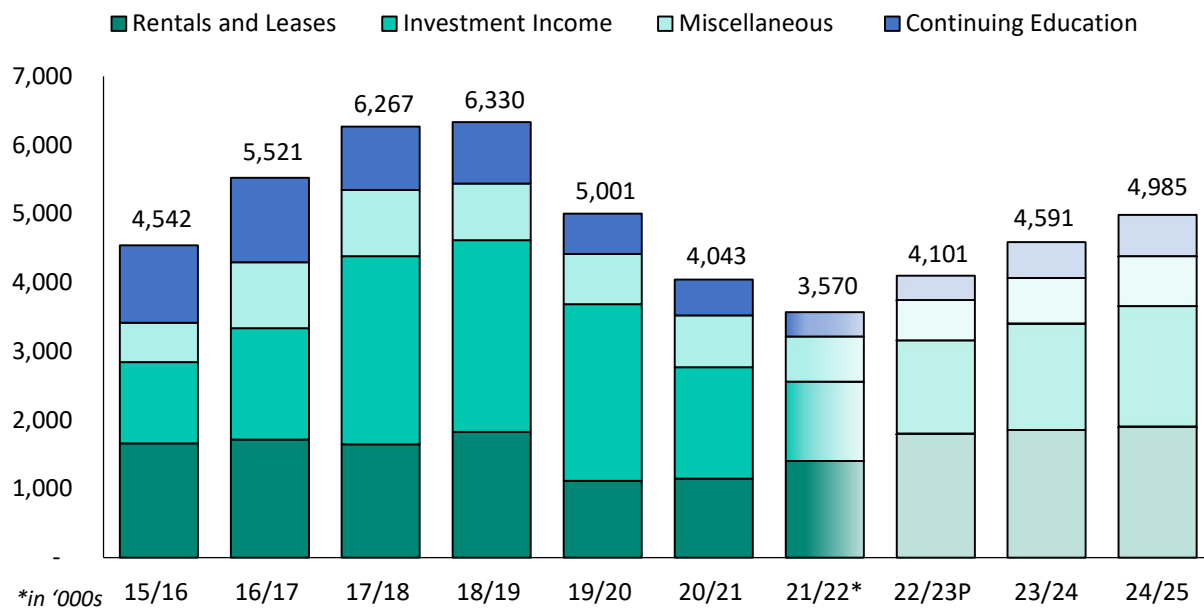


*in '000s

*21/22 represents the Amended Budget. Actual figures will be confirmed at year end.

Other Revenues

The district has a four other revenue sources in addition to Operating Grant Revenues and international education revenues: continuing education, rentals and leases, investment income, and miscellaneous income. The graph below illustrates the historical and future sum of these other revenue sources.



*21/22 represents the Amended Budget. Actual figures will be confirmed at year end.

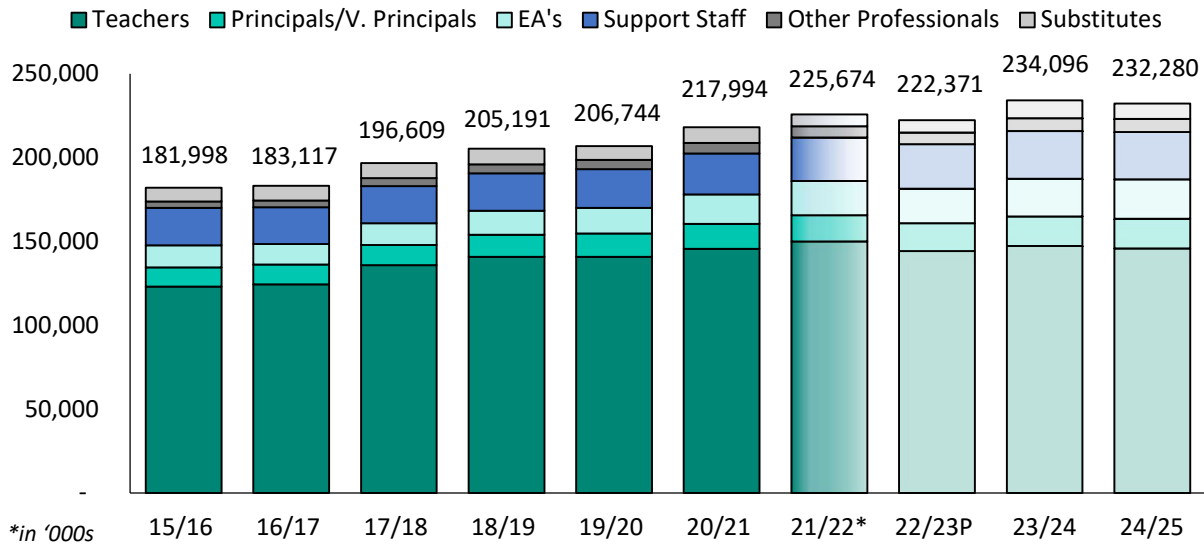
Other assumptions considered when calculating the budget and multi-year projections:

- Vocational and other fee-based programs offered by the Continuing Education Department are expected to start recovering over the next two years as the impact of COVID-19 diminishes
- Rental and lease revenues will recover to 100% of pre-COVID levels in 2022/23 and continue to grow at rates slightly above inflation.
- Investment Income will increase in relation to expected interest rate increases. The focus will be to continue to maximize investment income by investing cash with the provincial governments central deposit program and seeking alternative risk adverse investments.
- Miscellaneous income will continue to be relatively stable.

Expenses

Salaries

The table below represents total salaries for all staffing groups (teachers, principals and vice principals, educational assistants, support staff, other professionals and substitutes).



*21/22 represents the Amended Budget. Actual figures will be confirmed at year end.

Assumptions used when calculating the budget and multi-year projections:

- Notwithstanding 2022/23 and pending contract negotiations, teacher, education assistants, and support staff salaries have been projected to increase annually at a rate of 2%.
- Teacher grid step increments average \$1.5 to \$1.9M based upon years of service as they move through the 10-step salary grid.
- Salaries include projected staffing changes for enrollment and new school additions.
- Other professionals and principal & vice principal salaries will increase annually consistent with similar levels to those attained under collective labour settlement agreements.
- Substitute costs are assumed to return to pre-COVID levels from the significant increase that occurred in 2021/22 resulting from COVID-19 variants and Provincial Health Orders.

Benefits

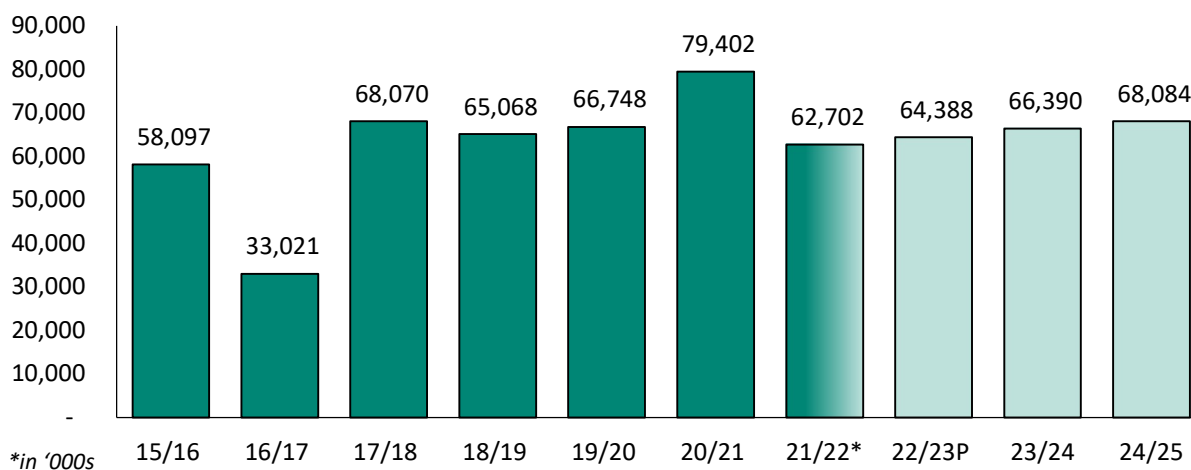
Benefit costs are comprised of statutory, contractual and non-statutory costs. Statutory and contractual benefit include costs such as CPP, EI, Pension WorkSafeBC, and Employer Health Tax which are variable based on earnings and specific rates. Non-statutory benefit costs include employer paid premiums for extended health, dental, EAP and post-employment benefits that are based on number of employees enrolled in the group plans or years of service.

The table below shows the variable employer-paid benefits, their rates calculated on salaries, any relevant notation, and the frequency with which they are updated.

Employee Benefits	Rate (%)	Notes	Reviewed
Canada Pension Plan (CPP)	5.70%	\$3,500 basic exemption; \$64,900 max pensionable earnings	Annually
Employment Insurance (EI)	1.58%*	\$60,300 max insurable earnings	Annually
Employer Health Tax (EHT)	1.95%		Unknown
Teacher Pension Plan (TPP)	11.3%		Triennially
Municipal Pension Plan (MPP)	9.31%		Triennially
WorkSafe	1.1%	\$108,354 max wage rate	Annually
Extended Health and Dental	N/A	Variable monthly premiums	Annually

*EI employer contribution rate multiplied by various factors (1.172 to 1.4) dependent on employee group

Total benefit costs are illustrated below. Future benefits reflect changes in staffing levels and expected contractual benefit rate increases.

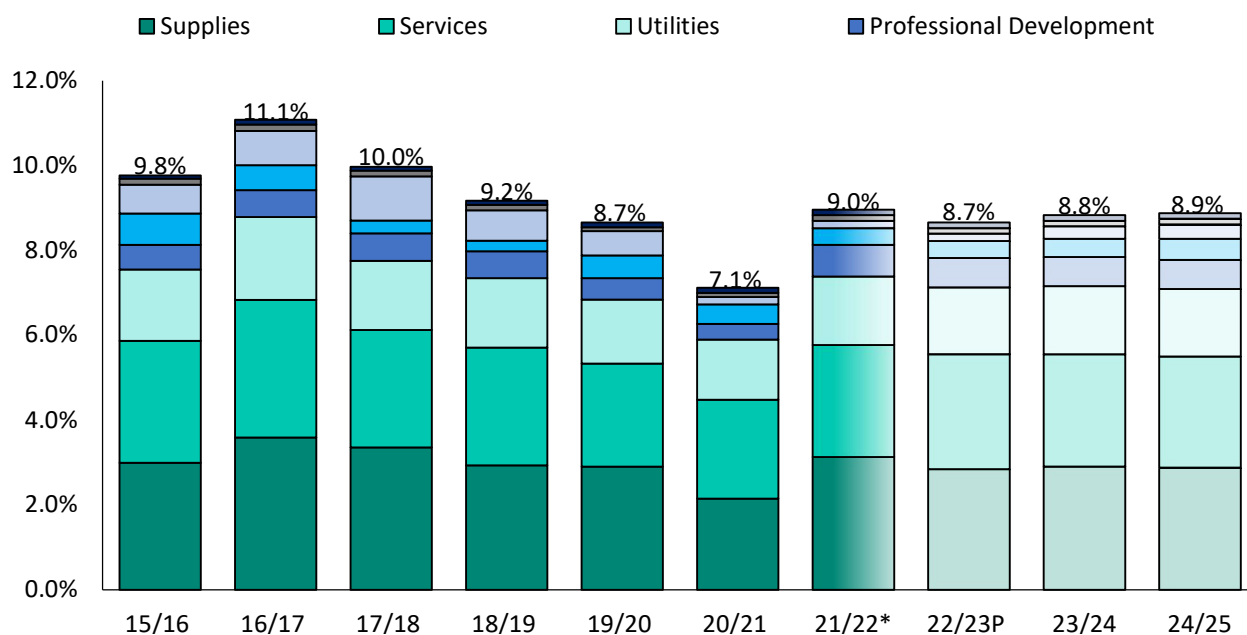


*21/22 represents the Amended Budget. Actual figures will be confirmed at year end.

- F'17 benefit costs reflect the closing of the Post Retirement Group Benefit Plan to new enrollees, provisioning of retiree health benefits with MPP and release of associated liabilities with the PRGB program
- F'18 benefits reflect one-time costs associated with transfer of active NTPP employees to the MPP
- F'21 benefit costs reflects the annuitization of the Non-Teaching Pension Plan achieving solvency offset by the savings from amendment of the PRGB resulting in plan curtailment recognition.

Service and Supplies as a % of Total Operating Expenses

Service and supply expenses are assumed to remain relatively stable - well below the level of 'targeted' inflation and 2020/21 provincial average of 11.17%. The district anticipates expenses to remain relatively stable at around 9% despite inflation rates at a 40-year high (5.7%) at the time of this report.



*21/22 represents the Amended Budget. Actual figures will be confirmed at year end.

*in '000s

Interfund Transfers and Capital Planning

Interfund transfers are the reallocations of funds between the operating and local capital funds. This is done to mitigate the risk of underfunding by the ministry for approved capital projects such as construction of new schools, classroom additions, and seismic upgrades. If the funds are not required for capital purposes, the funds can be transferred back into the operating account. As previously noted, we have included the \$25M transfer of funds for the Burke Mountain capital project that are planned to occur between 2021/22 and 2024/25.

The ministry does not provide funding for portables (new or replacements) which provides further financial pressure to meet the needs of growing communities within the district that do not have an approved capital project or addition. The district submits a 5-year capital plan annually to the ministry for approval as required by the *School Act* and ministry policy. The most recent plan can be found on SD43's website [here](#).

Accumulated Reserves (Surplus)

The accumulated reserve policy is predicated on the district generating an annual surplus of \$5M dollars. This surplus is then distributed for usage over a rolling three -year period totalling \$3.75M annually. International education has historically contributed a minimum of \$4M annually toward the accumulated reserves, helping to provide financial stability for the district. Given the negative impact of COVID-19 on international education revenues, there is a risk to meeting the \$5M surplus during the recovery period, thus putting additional pressure on the school district to maintain current staffing and services levels without increases to operating and non-operating revenues.



INFORMATION

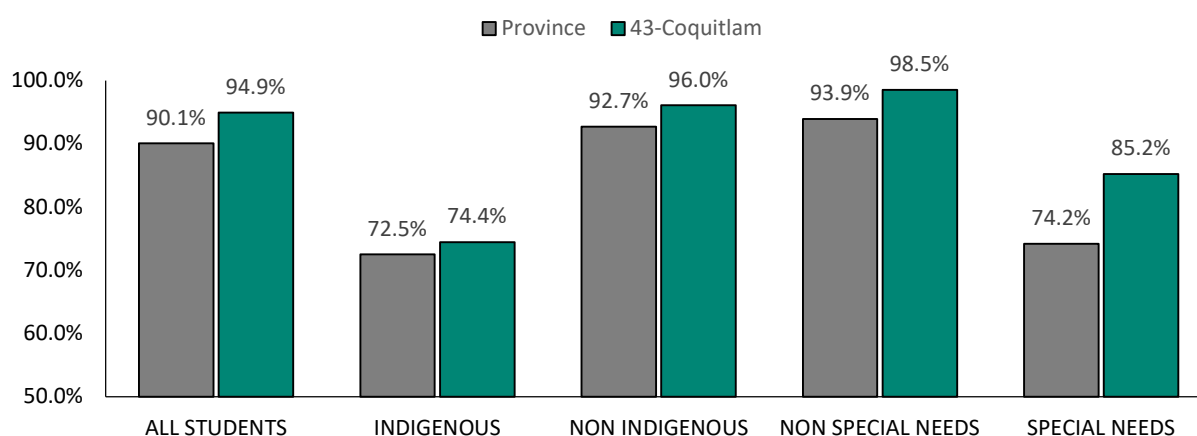
Student Achievement

Through the budget process, the board will continue to maintain a high achieving and sustainable organization for the long-term which is built on our past successes. SD43 will seek new and innovative ways to deliver its services to ensure that budgets are maximized and quality learning for all students.

SD43 has a history of high levels of student success. The 2021 Achievement Levels released by the Ministry of Education in early 2022, show that our student achievement results exceed provincial norms on every measure.

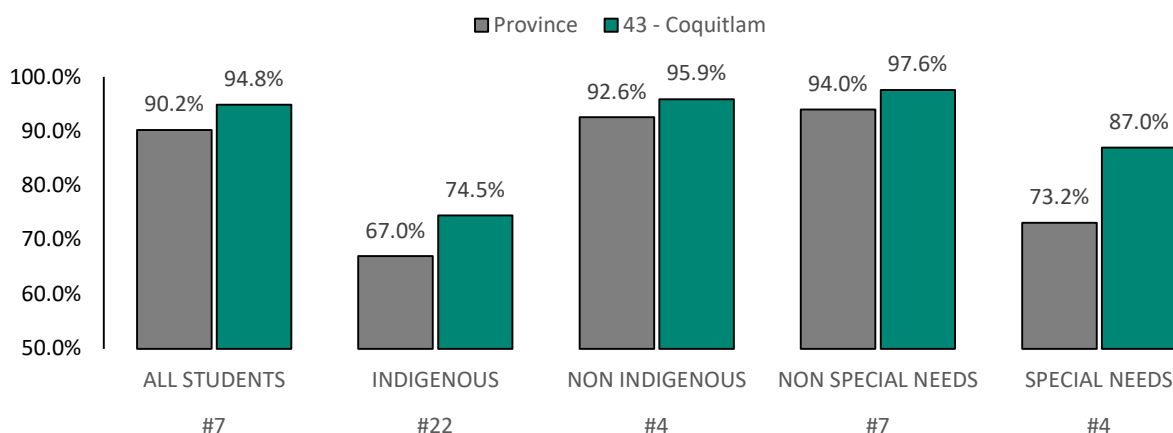
The board's goals are, and will continue to be, focused on helping students acquire a series of attributes to help them become Learners, Thinkers, Innovators, Collaborators, and Contributors. Our budget process will provide the answers needed for the difficult task of meeting our financial pressures while ensuring the continued success of our students.

The graph below compares the district's student performance and ranking in all provincially measured areas against school districts for 2020/21.



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

The graph below compares the 5-year average graduation performance and provincial ranking within various student categories between the provincial average and the district. Coquitlam has exceeded the provincial average in every category.



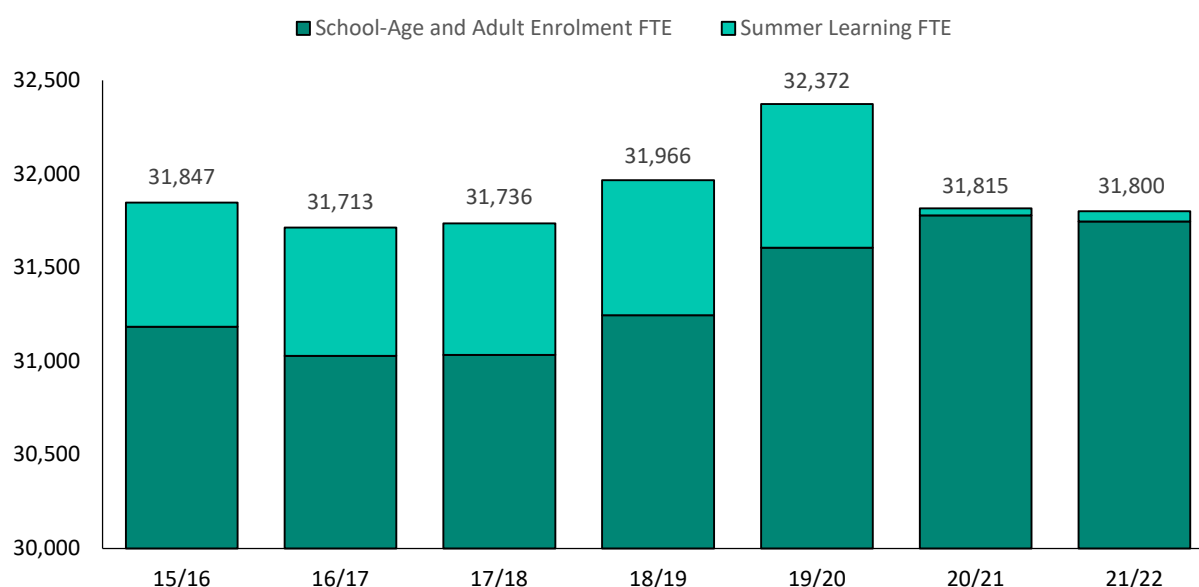
The district strives to prioritize student success as it's #1 goal. Continuous improvement measures are planned to ensure the success of its students continues despite the anticipated budget shortfalls.

Enrollment History

This section presents the full-year enrollment information for the following school years:

- 2015/16 to 2020/21 actual enrollment
- 2021/22 September actual enrollment and February and May estimates

The graph below reveals that since 2016/17, there has been a consistent increase in full-time equivalent (FTE) up until the COVID-19 pandemic in 2020/21. This includes data for regular, alternate, distributed learning, continuing education, adult learners, and summer school. As can be seen below, summer learning enrollment was the most impacted primarily because in-class sessions were cancelled for grades 10-12. Enrollment for non-summer learning has steadily increased up until 2021/22. It is not yet known how much COVID-19 caused the slight decrease in non-summer enrollment.

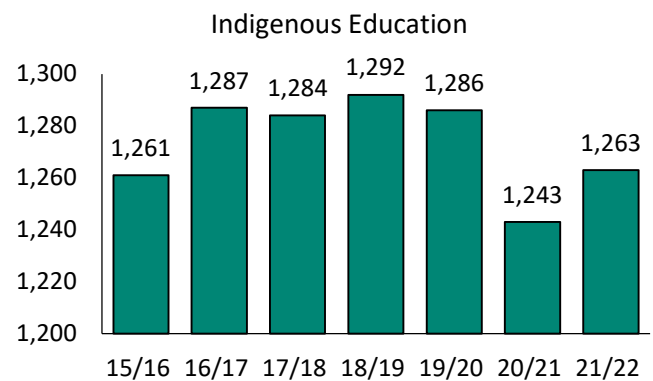
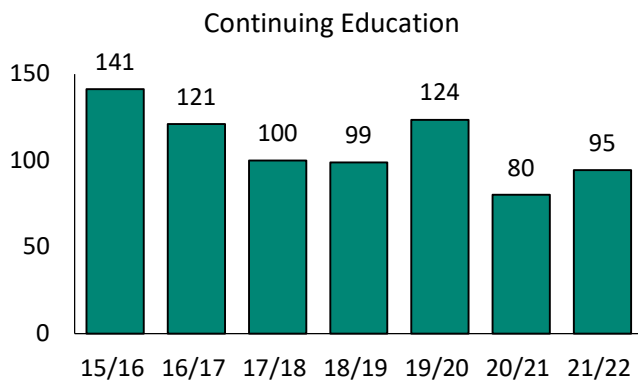
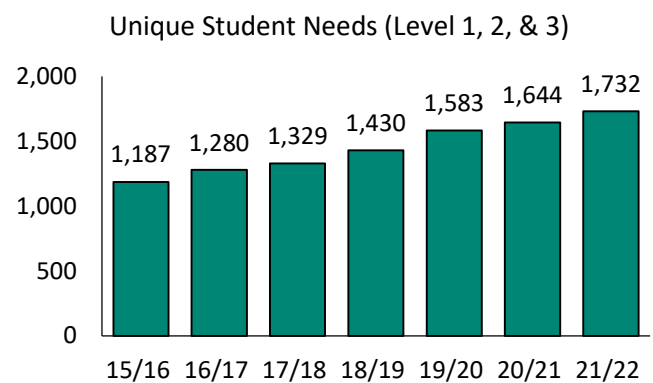
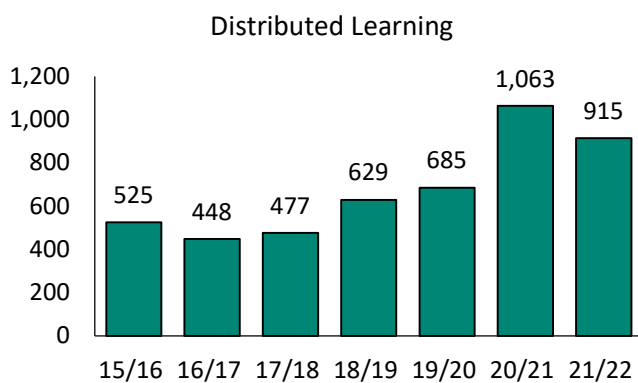
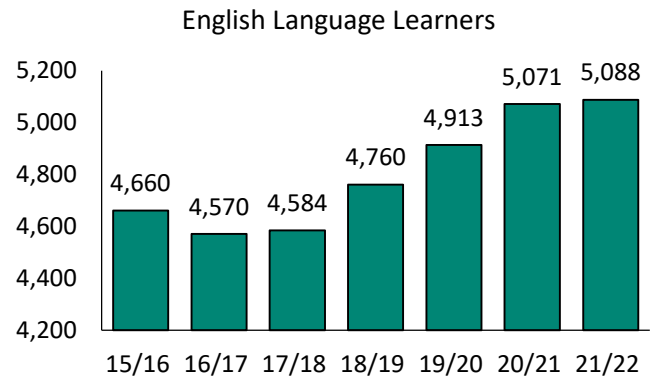
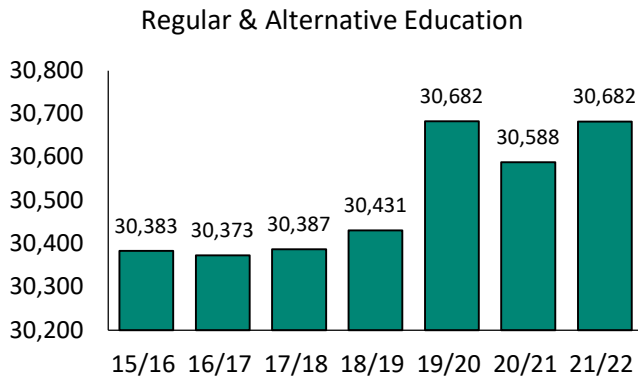


The table below provides specific enrollment numbers for both school-aged and adult enrollment and summer learning. The impact of COVID-19 is even more startling when FTE numbers are compared to year-over-year.

	15/16	16/17	17/18	18/19	19/20	20/21	21/22
School-Age and Adult Enrolment FTE	31,183	31,027	31,033	31,245	31,606	31,779	31,745
Summer Learning FTE	664	686	702	721	766	37	55
Est. School-Age and Adult Enrolment	31,847	31,713	31,736	31,966	32,372	31,815	31,800

Enrollment history for various categories of students that make up the above totals are found in the following page.

Enrollment History



As shown in the above enrollment history illustrations, the most significant change experienced in school year 2021/22 is the decrease in distributed learning. This is the result as more students returned to in-class based learning rather than online.

The inverse is also evidence by the increase to regular & alternate education, continuing education, and indigenous education enrollments for 2021/22. Despite the challenges presented by COVID-19, enrollment for English language learners and students with unique needs (all levels) continued to increase.

Operating Budget Historic Staffing Summary

The school district's operating staffing levels peaked in the 2012/13 school year – the year the 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 annually to the Ministry of Education.

The board continues to closely monitor its staffing priorities and level of financial risk to meet the changing needs of the district. As indicated through *Directions 2025*, one of the board's goals is to ensure that human, financial, and physical resources are sustainable to foster a maintainable educational organization.

Staffing Group	2014/15	Amended 2021/22	Preliminary 2022/23	Variance Y/Y	Variance 8 Years
Teachers	1,603.95	1,644.68	1,614.28	(30.40)	10.34
Teachers - International Ed	82.21	50.00	51.00	1.00	(31.21)
Teachers - Sub-total	1,686.16	1,694.68	1,665.28	(29.40)	(20.87)
Education Assistants & Youth Workers	368.37	591.44	598.44	7.00	230.07
Support Staff	496.87	552.06	550.06	(2.00)	53.19
Administration	108.50	125.50	125.50	0.00	17.00
Other Professionals	45.10	69.00	69.00	0.00	23.90
TOTAL	2,787.21	3,082.68	3,059.28	(24.40)	272.07

Support Staffing Details

Support staff and educational assistant staffing are comprised of several distinct staffing components which is captured for selective years in the table below.

	2014/15	Amended 2021/22	Preliminary 2022/23	Variance Y/Y	Variance 8 Years
Educational Assistants	331.91	492.80	499.80	7.00	167.89
LISW	0.00	36.00	36.00	0.00	36.00
Youth & Support Workers	22.42	42.00	42.00	0.00	19.58
Library Assistants	7.97	9.57	9.57	0.00	1.60
Career Advisors & TA's	6.07	11.07	11.07	0.00	5.00
Sub-Total EA's	368.37	591.44	598.44	7.00	230.07
Clerical	174.51	200.79	200.79	0.00	26.28
Custodians	192.50	193.00	191.00	(2.00)	(1.50)
Maintenance	63.40	74.80	74.80	0.00	11.40
IT	27.00	29.00	29.00	0.00	2.00
Noon Hour	23.50	27.35	27.35	0.00	3.85
Cafeteria	15.96	6.12	6.12	0.00	(9.84)
Sub-Total Support Staff	496.87	531.06	529.06	(2.00)	32.19
TOTAL	865.24	1,122.50	1,127.50	5.00	262.26

As can be noted, there has been a tremendous need for more educational assistants, and the need continues to grow as we note our enrollment in level 2 students with unique needs is projected to increase in the future.

As new schools are built or expanded, more clerical, custodial and noon hour staff are needed. Maintenance staff also increase as there are more buildings to maintain and repair.



Special Purpose Funds Budget Historic Staffing Summary

Comparing the 2022/23 staffing estimates against 2014/15 shows an overall 298% increase (318.70 FTE increase) in total SPF staffing levels; the biggest increase being made up in the teachers' category. Specifically, teachers staffing levels increased by 525% since the base year of 2014/15 with 96% of the change resulting from an increase in CEF teachers. This is due to the government introducing the Classroom Enhancement Fund (CEF) in 2017/18. More information on the CEF can be found under Special Purpose Fund Budget on page 25.

	2014/15	Amended 2021/22	Preliminary 2022/23E	Variance Y/Y	Variance 8 Years
Teachers	51.48	316.94	321.94	5.00	270.46
Educational Assistants	43.20	89.28	89.28	-	46.08
Support Staff	6.26	17.40	7.40	(10.00)	1.14
Administration	0.50	1.50	1.50	0.00	1.00
Other Professionals	-	-	-	-	-
TOTAL	101.44	425.12	420.12	(5.00)	318.70

Support Staffing Details

Similar to the 'Operating Budget Historic Summary' section above, support and educational assistant staffing consists of distinct components which is captured for the selective years in the table below. Educational assistants have increased by 44.5 FTE since 2014/15 which correlates with the increase in SPF teacher staffing. The reduction of 10.00FTE support staff in 2022/23 are the temporary caretakers that was added in 2021/22 for continuation of COVID-19 enhanced cleaning. This was funded through the 'Provincial – Safe Return to School Fund,' a one-time grant, as part of the Ministry of Education's Restart Plan to safely bring K-12 students back to school.

	2014/15	Amended 2021/22	Preliminary 2022/23E	Variance Y/Y	Variance 8 Years
Educational Assistants	9.12	53.60	53.60	0.00	44.48
Youth & Support Workers	34.08	32.50	32.50	-	(1.58)
Career Advisor & TA's	-	3.18	3.18	-	3.18
Sub-total EA's	43.20	89.28	89.28	0.00	46.08
Clerical	6.26	7.40	7.40	-	1.14
Additional Caretakers	-	10.00	-	(10.00)	-
Additional Delivery/Security Runners	-	-	-	0.00	-
CEF - IT	-	-	-	-	-
Sub-total Support Staff	6.26	17.40	7.40	- 10.00	1.14
TOTAL	49.46	106.68	96.68	(10.00)	47.22

APPENDIX A - Budget Stakeholder and Partner Group Meeting Summary 2022/23

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 teacher 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. During the 2021/22 year budget process, 10 FTE teachers were added to Middle Schools to support the curriculum changes. In 2020/21 an additional 14 EA/LISW positions were added: which addressed aspects of this concern. 17 EA's and 2 LISW's were added in October to address the needs in schools. Additional learning services school-based teacher staffing was added to address changes in the number of students in October.
2	CPVPA	CTA - Learning Supports	⊕	Keep as many services and resources within schools (e.g. provide tier 1 approach where we are trying to create inclusionary learning for all of our students not requiring significant additional transportation time, this means keeping EAs, caretaking, secretarial, mentoring, and targeted supports).	Our IST team continues to focus on working with school-based teams to support the needs of our vulnerable learners. We have also been supporting school based professional development that focuses on the classroom teacher and the use of universal classroom supports.
3	DPAC	CTA - Counsellors		Expand staffing for counsellors to assist students with mental health, career guidance, etc.	We agree that additional counselors are required as our school district shifts away from the pandemic in the coming school year. SD43 counseling time is currently guided by the numbers set out in the non-enrolling ratios. SD43 has implemented a mental health task force with our community partners to explore more significant community partnerships and joint advocacy for additional supports within the Tri-Cities.

4	CTA	CTA - Mentoring	⊕	Continue with mentoring program and technology mentoring teams (this has given our school district a competitive advantage in attracting staff and these supports translate into better support for students).	We agree that SD43's investment in the mentorship program is an important component that is supporting Goal #1 - Intellectual Development and Goal #2 Human and Social Development. We want to continue these programs as funding permits based on priorities of all needs of the School District. Our district mentors continue to support new to career teachers, other colleagues as well as be members of valuable learning support teams at all schools.
Teachers - General					
5	CTA	CTA - Teacher Staffing	⊕	Maintain stability in the existing teacher staffing levels. The current times have brought uncertainty, disruption, and impacts on work flexibility.	While we do not want to reduce any positions, the teacher layoff process is defined by the Collective Agreement. The ability to avoid teacher layoffs and continue to retain staff is dependent on funding and staffing priorities and the level of financial risk SD43 can undertake.
6	CTA	CTA - TTOC	⊕	Address shortages of TTOC's and increase the TTOC budget. Using non-enrolling teachers to fill in causes disruption to their work schedules.	The issue of a lack of TTOC availability is experienced throughout the province. SD43 has hired a number of permanent TTOC's to assist in alleviating this issue. We have been in communication with the CTA on ways to address this issue. We will continue to promote SD43 to teacher graduates as an exceptional place to work.
Administration					
7	CPVPA	CPVPA - Admin staffing & Relief time	⊕	Maintain existing administrative staffing levels, or increase admin time to support Elementary School Administrators, continue to incrementally reduce teaching time.	The 2019/20 budget included an addition of 1.80 FTE teachers to reduce administrator teaching time as well as 2 District Principal positions. The 2021/22 budget included provision of one-time funds for the hiring of a temporary administrator to assist with additional COVID related reporting and admin relief. SD43 has systematically reduced Administrator's teaching time and increased head teachers over the past few years.
Support Staff					
8	CUPE	CUPE - Trades	⊕	Implement a mentorship/apprenticeship program within our schools to attract new maintenance/facilitates staff.	While this is a collective bargaining matter, there have been discussions with the union with respect to this. Given the current financial implications, we are open to further conversations to find a workable solution.

9	CUPE	CUPE - Custodians		Increase hours of caretakers to two-day shift care takers (could be early afternoon) to assist with secondary school daytime runs.	Ratios have been established over time which is adhered to. In addition, the district has been spending considerable funds on upgrading equipment to help support our caretakers. Caretakers are funded through the per-pupil grant funding, and balancing multiple needs is a crucial driver influencing total custodian numbers above the ratios.
10	CUPE	CUPE - Custodians		Increase hours of caretakers to full-time day shifts to cover the whole day students are in attendance at elementary schools that do not have a daytime caretaker now.	Increased caretaking time was supplemented by one-time special purpose COVID re-start funding in 2021-22, equating to an additional 10 FTE positions. Due to the one-time nature of the funding, the additional caretakers were intended to be temporary due to COVID.
11	CUPE	CUPE - EA's	⊕	Increase one EA at each of the 14 middle school from 30 hours to 35 hours per week. (e.g., This allows additional support for afterschool programs like the track and field for special needs or band or drama club and extra-curricular activities).	EA positions (35 hour) were introduced in every secondary school to support work experience and transition education for students with special needs. The 35 hour positions were also introduced on itinerant teams to allow for flexible support before and after school hours.
12	DPAC	CUPE - EA's		Keep the 10 additional EA positions that were added during the 2021-22 year.	17 EA's and 2 LISW positions were added in September on top of the ten positions that were added in the previous budget
13	Parent	CUPE - EA's		Requesting additional educational assistant positions for students with extraordinary needs, additional learning services staff including youth workers, speech language pathologists, etc.	17 EA's and 2 LISW positions were added in September on top of the ten positions that were added in the previous budget. Overall, there is a significant shortfall in Provincial supplemental funding. The district is currently contributing an estimated \$20M towards learning services staffing resources in addition to the supplemental funding.
14	CUPE	CUPE - Clerical/SIS - Elementary		Add a District level SIS operator (0.5 FTE) to support large Elementary Schools and elementary schools with programs of choice.	SD43 continues to work with the Union to find the right balance of clerical staffing in schools which also requires flexibility from the current agreed protocols and agreement. Clerical staffing continues to be retained at its highest level since before the 2012/13 peak when the financial deficit occurred. Clerical staffing is added when the need is assessed, and funding is available.
15	CUPE	CUPE - Clerical/SIS International Education		Increase the SIS staff for International Ed by 0.5 FTE, to complete work currently being done by secondary schools.	
16	CUPE	CUPE - Youth Workers	⊕	Add 1.5 FTE Youth Worker roles to increase YW time at Como Lake, Suwa'lkh and Encompass to full time.	We will continue to review staffing levels and determine appropriate requirements based upon our financial and staffing priorities. SD43 has implemented a mental health task force with our community partners to explore more significant community partnerships and joint advocacy for additional supports within the Tri-Cities.

Services and Supply Budgets					
17	CPVPA	School Supplies	⊕	Maintain School Supply budget funding to help address inflationary increases.	The School District allocates approximately \$7.0 million towards school supply expenses. This includes direct funding allocations to schools as well as expenses absorbed at the board level in support of schools such as the KEV Processing fees, computing devices, janitorial equipment, emergency prep and learning commons. Additional funding is also given to schools including sharing of rental and cafeteria revenues, international education grants, summer learning subsidy, and special purpose funding allocations such as OLEP grants and IEP coverage from CEF. Schools also can carryforward unspent funds and for 2020-21, this was over \$1.8 million. Allocations to elementary schools will be reviewed and adjusted if needed.
Other					
18	DPAC	Inflationary Concerns		Sharp rise inflation could continue for a number of year, and there is a concern that inflationary costs not reflected in the budget could impact classrooms.	We agree that unfunded inflationary pressures has a significant impact on the district's operations across all levels. The current funding model does not provide supplementary funds to address inflation. We will continue to advocate for additional funding, and we encourage our partner groups to do the same.
19	DPAC	Student Achievement		Parents are concerned over Indigenous students' graduation rates being lower by 15-20%, compared to other students' rates and are asking that the district seek to bring up the achievement levels.	We agree that this is a priority for our district, and we will continue to focus on improving the outcomes our Indigenous Learners. This year we added one extra support teacher and 2 temporary YW to support schools with goals and students with academic achievement. Piloted Indigenous Student Learning Profile tool which will be rolled out to entire district next year.
20	DPAC	Classroom Air Quality		Requesting that the district consider placing HEPA filtration units in classrooms, and that DPAC/PAC's be advised of how they could contribute to this initiative, and assurance that systems will remain in the classroom they were intended for.	The district received one-time special purpose funding to provide HEPA filtration units for classrooms that did not have mechanical ventilation. This resulted in over 230 units being deployed throughout our district. We are currently working with mechanical ventilation consultants to assist us in determining greater efficiencies within our existing HVAC systems. The remaining funds will be used to address improvements.

21	DPAC	DPAC Budget		DPAC is requesting SD43 financial support at a 50% INCREASE as we go from pandemic to epidemic.	We agree and will restore the budget as requested.
22	Parent	Eagle Mountain Middle School - Sewage Contamination		Request for budget support for the resolution of the sewage contamination at Eagle Mountain Middle School.	Anmore Green Estates has on February 9th signed the license agreement which provides the access to SD43 lands to construct the sewer connection. This work is expected to occur over the 2022 summer months. The failure of the Anmore Green Septic field and the related responsibility to correct this is exclusively that of AGE. This has been recognized by AGE and the Ministry of Environment. SD43's budget does not include any funds for the sewer construction as a result. While SD43 has incurred administrative and legal costs well in excess of \$220,000, AGE has only agreed to reimburse SD43 \$24,000.
23	Parent	Learning Styles		Request that the budget include the value of 'progressive learning styles' as children learn in different ways, and budget allocations that create space for different learning styles.	Our profession development team at learning services continues to support access and extensions points for all learners. We promote the use of universal supports that are essential for some learners but good for all. Support the use of Universal Design for Learning continues to be a focus in our district. Strength based, Personal choice and Open-ended assignments allow students to flourish and meet their unique learning needs.
24	CTA	CTA - Mental Health	⊕	To address Teacher's mental health (especially in the current environment) consider increasing the number of allowable sick days or other ways to allow teachers time off with pay.	Days off for Teachers are incorporated within the collective agreement and bargained at the Provincial level. This is not an area in which we have local jurisdiction.
25	CTA	CTA - EFAP	⊕	The Employee and Family Assistance Program (EFAP) is not working well: its too limited in the number of times one can access counselling services.	The EFAP is a short-term solution-based program. It is not designed or intended for long term assistance or support. There is no limit to the number of visits however the EFAP counsellors are usually able to provide or suggest resources or coping tools to the individual seeking help. In most situations it is usually dealt with in 3 or less visits.
26	CTA	Coquitlam Music Teacher - Music	⊕	Retain and maintain status quo and assist in re-establishing stability of music programs and address loss in music programs post pandemic.	The 2021/22 Budget continues to retain funding to support music in SD43.

27	CTA	Burke Mountain Capital Contribution		Concerns regarding using future surplus funds, which would originate as operating funds, for the capital contribution required for Burke Mountain Middle/Secondary School.	We agree and pass this concern to the province as well.
28	SLC	Middle to Secondary School Transition		Increased supports of student led programs/initiatives to ease the transition from middle to secondary school.	Continued implementation of recommendations of Alternate Ed review. Transition of Suwa'lkh to a Gr 8-10 program. 5 of 8 schools developed in house transition programs to support certain students with transition to secondary, and other process in transition being developed.
29	SLC	Sexual Health Education		Increased funding for sexual health education including topics such as consent, safety and identity – and the ability to have presenters like Children of the Street.	More funds and partnership (Children of the Street) dedicated to supporting conversation of healthy relationships/consent at Middle and Secondary Schools. Expectation is for all schools to take part. Further curricular linkages and resources to be developed next school year.
30	SLC	Anti-Racism Education		Increased anti-racism education including equity, diversity and inclusion for staff and students.	The district strongly supports greater inclusion and creating a sense of belonging for all of our students inclusive of visible minorities and Indigenous students. Learning services supplied Culturally Response Literary Kits to early middle and elementary school. Extensive professional development support was provided in addition to the kits themselves.

APPENDIX B - Estimated Operating Grants 2022/23 School Year

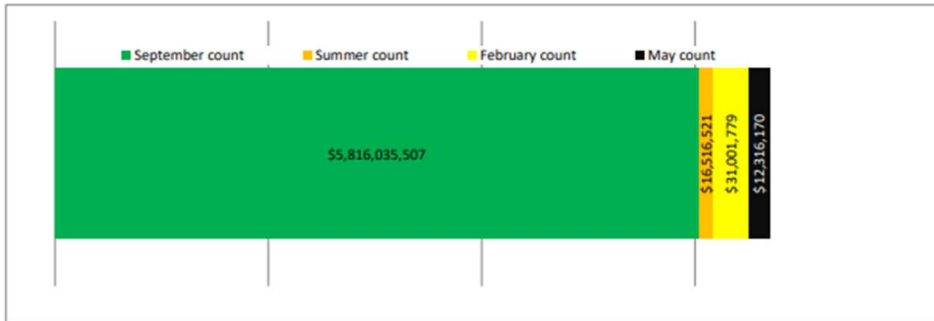
Estimated Operating Grants - 2022/23 School Year School District 43 Coquitlam

September 2022 Enrolment Count				
	School-Age Enrolment	Funding Level	Funding	Total Supplement
Standard (Regular) Schools	30,270.0000	\$7,885	\$238,678,950	
Continuing Education	5.0000	\$7,885	\$39,425	
Alternate Schools	265.0000	\$7,885	\$2,089,525	
Online Learning	380.0000	\$6,360	\$2,416,800	
Home Schooling	49	\$250	\$12,250	
Course Challenges	130	\$246	\$31,980	
Total Enrolment-Based Funding (September)	30,920.0000			\$243,268,930
	Total Enrol. Change	Funding Level	Funding	Total Supplement
1% to 4% Enrolment Decline	-227.3750	\$3,943	\$0	
4%+ Enrolment Decline		\$5,914	\$0	
Significant Cumulative Decline (7%+)	258.5625	\$3,943	\$0	
Supplement for Enrolment Decline				\$0
	Enrolment	Funding Level	Funding	Total Supplement
Level 1 Special Needs	25	\$44,850	\$1,121,250	
Level 2 Special Needs	1,382	\$21,280	\$29,408,960	
Level 3 Special Needs	310	\$10,750	\$3,332,500	
English Language Learning	4,980	\$1,585	\$7,893,300	
Indigenous Education	1,225	\$1,565	\$1,917,125	
Adult Education	47.0000	\$5,030	\$236,410	
Equity of Opportunity Supplement			\$942,283	
Supplement for Unique Student Needs				\$44,851,828
Variance from Provincial Average	\$1,199			
Estimated Number of Educators	1,720.389		\$2,062,746	
	Enrolment	Funding Level	Funding	Total Supplement
FTE Distribution	30,967.0000	\$180.33	\$5,584,279	
Supplement for Salary Differential				\$7,647,025
Supplement for Unique Geographic Factors				\$2,479,811
Funding Protection				\$0
Curriculum and Learning Support Fund				\$280,326
September 2022 Enrolment Count, Total				\$298,527,920

July 2022 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
Summer Learning Grade 1-7	3,600	\$224	\$806,400	
Summer Learning Grade 8-9	720	\$224	\$161,280	
Summer Learning Grade 10-12	1,300	\$448	\$582,400	
Supplemental Summer Learning Funding			\$47,894	
Cross-Enrolment, Grade 8 and 9	0	\$448	\$0	
Summer Learning, Total				\$1,597,974
February 2023 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	6.0000	\$7,885	\$47,310	
Adult FTE - Continuing Education	48.0000	\$5,030	\$241,440	
K-Gr 9 School-Age FTE - Online Learning	0.0000	\$3,180	\$0	
Gr 10-12 School-Age FTE - Online Learning	355.0000	\$6,360	\$2,257,800	
Adult FTE - Online Learning	20.0000	\$5,030	\$100,600	
Level 1 Special Needs Enrolment Growth	0	\$22,425	\$0	
Level 2 Special Needs Enrolment Growth	10	\$10,640	\$106,400	
Level 3 Special Needs Enrolment Growth	0	\$5,375	\$0	
Newcomer Refugees	10.0000	\$3,943	\$39,430	
ELL Supplement - Newcomer Refugees	10	\$793	\$7,930	
February 2023 Enrolment Count, Total				\$2,800,910
May 2023 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	5.0000	\$7,885	\$39,425	
Adult FTE - Continuing Education	35.0000	\$5,030	\$176,050	
K-Gr 9 School-Age FTE - Online Learning	0.0000	\$2,120	\$0	
Gr 10-12 School-Age FTE - Online Learning	65.0000	\$6,360	\$413,400	
Adult FTE - Online Learning	10.0000	\$5,030	\$50,300	
May 2023 Enrolment Count, Total				\$679,175
2022/23 Full-Year Estimated Total				\$303,605,979
Estimated 2022/23 Operating Grant from Indigenous Services Canada				\$0
Estimated 2022/23 Operating Grant from Ministry of Education				\$303,605,979

APPENDIX C - Overview of the 2022/23 Operating Grant Allocation Formula

Allocation of the total Operating Block and Enrolment counts (2022/23 estimated as at March 2022)



Funding Adjustments:

- Districts' preliminary allocations are adjusted after each of the enrolment counts; September 29th, February and May;
- A district's 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

76% allocated through the Basic Allocation

Basic Allocation

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

Standard School: \$7,885 per school age FTE	Continuing Education: \$7,885 per school age FTE
Alternate School: \$7,885 per school age FTE	Online Learning: \$6,360 per school age FTE

16% 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: \$44,850 per student	Level 2 Special Needs: \$21,280 per student	Level 3 Special Needs: \$10,750 per student
English/French Language Learning: \$1,585 per student	Indigenous Education: \$1,565 per student	Adult Education: \$5,030 per FTE
Equity of Opportunity: Mental health; youth in care		

8% 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				

0.2% 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 2022/23 School Year

APPENDIX D - Special Purpose Funds Descriptions

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.

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 2022/23 AFG project spending plan prior to April 30, 2022. The plan will include a list of the AFG projects and expenditures the district will undertake between April 1, 2022 and March 31, 2023.

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.

CommunityLINK

CommunityLINK (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.

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.

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.

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 of each year 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.

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. A significant amount of the scholarships and bursaries have been moved to the SD43 Education Foundation, however there are still funds that remain under this program.

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.

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 Benefit Plan (SLBP)

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. This plan has ceased effective February 2022. The purpose of the remaining balance is to support pre-existing obligations that have already been approved prior to the agreement's date of execution.

Retiree Extended Health Fund

The Retiree Extended Health Fund is a Benefit Premium Stabilization account for retirees of the Non-Teaching Pension Plan or NTPP, who are in receipt of the benefits under the Post Retirement Group Benefit Plan.

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.

Language Instruction for Newcomers to Canada (LINC)

This program is designed to assist parents of newcomers and refugee children to 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. The program provides three free childminding centres for two to five-year olds to be cared for while their parents are participating in LINC classes.

Mental Health in Schools

This fund is to support the development of new/enhanced evidence-based inclusive mental health and well-being activities, either universal or targeted in support of students, families and/or educators. It also enables our district to design action plans to capture how funding is spent and what outcomes are achieved.

Changing Results for Young Children (CR4YC)

This fund is a partnership with approximately 47 school districts and the United Way of the Lower Mainland to implement on-going collaborative professional learning among early learning educators across school and communities to support social, emotional, and learning outcomes for children in the early learning years (birth through age eight).

Federal Safe Return to Class Fund

The Ministry of Education administered one-time federal funding intended to support incremental costs resulting from COVID-19. Specifically, funding is to be used for school ventilation system improvements.

Safe Return to School / Restart: Health and Safety

The Ministry of Education administered one-time provincial funding intended to support incremental costs to assist schools and districts with a safe and near-normal return to school as a result of the COVID-19 pandemic. The funding is to be used to support enhanced cleaning and disinfecting, hand hygiene for students and staff, improved ventilation, and personal protection equipment (PPE) purchases.

GLOSSARY

AFG	Annual Facilities Grant
BCPSEA	British Columbia Public School Employers' Association
BCSTA	British Columbia School Trustees' Association
BCTF	British Columbia Teachers' Federation
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
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.
FTE	Full Time Equivalent
LCR	Local Capital Reserve
LIF	Learning Improvement Fund
LISW	Learning Inclusion Support Worker
LOU#17	Letter of Understanding
MOA#17	Memorandum of Understanding
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.
P/VP	Principal/Vice-Principal

Preliminary/Annual Budget	For 2021/22, boards must prepare, adopt by bylaw and submit to the Ministry of Education an annual (preliminary) budget on or before June 30, 2021 as per section 113 of the School Act (Adoption of Budget).
PRGB	Post Retirement Group Benefits
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.
SPF	Special Purpose Funds
TPP	Teacher's Pension Plan
TTOC	Teacher Teaching on Call
YW	Youth Worker



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