

Budget Process 2019-2020 Stakeholder Consultation Guide

Spring 2019



Learn. Engage. Contribute.

You Talk. We Listen.



School District No. 43 (Coquitlam)

550 Poirier Street
Coquitlam, BC V3J 6A7
Phone: 604-939-9201

Message from the Board of Education

Welcome to the stakeholder consultation and engagement process for the 2019-2020 budget for School District No. 43 (Coquitlam).

We are the third largest school district in the Province of British Columbia, and we have a diverse and growing population which includes young families, new Canadians, professionals and others who are choosing to locate here for the quality of life, that includes a thriving and successful public education system. Our student achievement levels continue to be exceptional and are consistently above the provincial average and near the top in all student outcome categories of all 60 school districts in BC.

The Board of Education has again planned a consultative budget process for the 2019-2020 school year. The process will provide multiple opportunities for stakeholder input, starting in April 2019, once Ministry funding has been announced. We appreciate all comments and input while we work closely with our partner groups within the confines of our contracts and available resources. To seek broad and thorough input, the Board has also engaged in a series of meetings with partner groups and made several presentations throughout the year to inform stakeholders about the budget.

The Board is committed to transparency and certainty and has developed a stable and sustainable proposed budget for 2019-2020. Taxpayer Accountability Principles are an important aspect of practice adopted by the Board and staff in the preparation of the annual budget. The proposed budget will provide certainty to ensure long-term stability and sustainability. Through our **Directions 2020** developed goals and objectives we are committed to helping students achieve success, enhancing learning through technology, and fostering a sustainable educational organization - all within a changing landscape of provincial funding.

We invite you to **learn** about the budget process, **engage** in the consultation and **contribute** feedback. Help deepen our collective understanding and identify the challenges and opportunities. Share your ideas on how we can make the best use of the limited funds available for our children, families, employees and communities while advancing the school district and sustaining our mission. Your input will help guide the Board's decisions and actions.

Sincerely,

Board of Education
School District No. 43 (Coquitlam)



Barb
Hobson,
Chair



Christine
Pollock, Vice
Chair



Jennifer
Blatherwick



Carol
Cahoon



Kerri
Palmer Isaak



Lisa
Park



Michael
Thomas



Keith
Watkins



Craig
Woods

Budget Process 2019-2020

The Board of Education is utilizing a comprehensive strategy to create the 2019-2020 budget.

Our Goal

The Board of Education will embark on the budget process through a transparent, inclusive and accountable process that engages the community for input.

- The first step of the strategy was to identify potential cost pressures as well as areas of possible financial surplus/deficit. For the 2019-2020 year, the Board has identified that it can deliver a stable and sustainable budget.
- The Board is consulting with stakeholders on how it can use available resources to continue to foster a high achieving and sustainable organization for many years to come.
- The preliminary budget process allows stakeholders to comment and provide suggestions on the proposed budget so that the Board can consider these prior to finalizing the budget.

This budget strategy will consider:

Students First

Aligning decisions with a thriving public education system for students is a community value. As stewards of public funds, the School District must demonstrate a financial commitment to improve the learning environment for students.

Fair Access for all Students

Delivering fair, effective and positive learning environments for 32,000 students today and an additional 3,000 new students over the next decade is the School District's commitment. Present financial decisions must consider the current and future needs of students and employees.

Lifelong Learning in our Communities

Delivering lifelong learning in our communities is part of the School District's vision. We envision high quality, diverse, personalized and enriched education opportunities for all students of all ages. Ongoing financial review and community engagement will support this.

Changing Landscape of Provincial Funding

Funding from the provincial government has not kept up with rising costs even with lower enrolments and increased per pupil funding. Additional cost pressures such as hydroelectricity, gas and health benefits have all increased, with school boards funding most of these.

Long Term Strategic Vision

Aligning the budget process and connecting the allocation of resources with our strategic vision and goals as outlined in *Directions 2020*, which was established by the Board of Education in the Fall of 2016.

Directions 2020 Summary

At School District No. 43 (Coquitlam), it is our firm belief that the operation of the District is more effective with a clear vision and purpose that is aligned and integrated through all areas of the organization.

The goal of creating a unified vision led us to develop *Directions 2020*, the fulfilment of the *Learning Without Boundaries* strategic framework that was created by our School District through consultation with and feedback from several thousand stakeholders.

This vision, known as *Directions 2020*, will direct and enable the:

- fulfillment of our mission and goals and provide direction for future plans;
- prioritization and articulation of annual priorities and allocation of resources; and
- effective communication of results to allow for reflection, feedback and ongoing enhancement.

Our Mission

To ensure quality learning opportunities for all students of all ages.

Strategic Goals

The fulfilment of the *Learning Without Boundaries* strategic framework has resulted in these three strategic high-level goals and several objectives.

Goal #1

Achieve Student Success: *Our core work and common goal is educational excellence.*

Goal #2

Enhance Learning Through Technology: *Cultivate the use of technology to improve learning and working experiences for all.*

Goal #3

Foster a Sustainable Educational Organization: *Ensure that our human, financial and physical resources are sustainable.*

Read the complete [Directions 2020 document here](#).



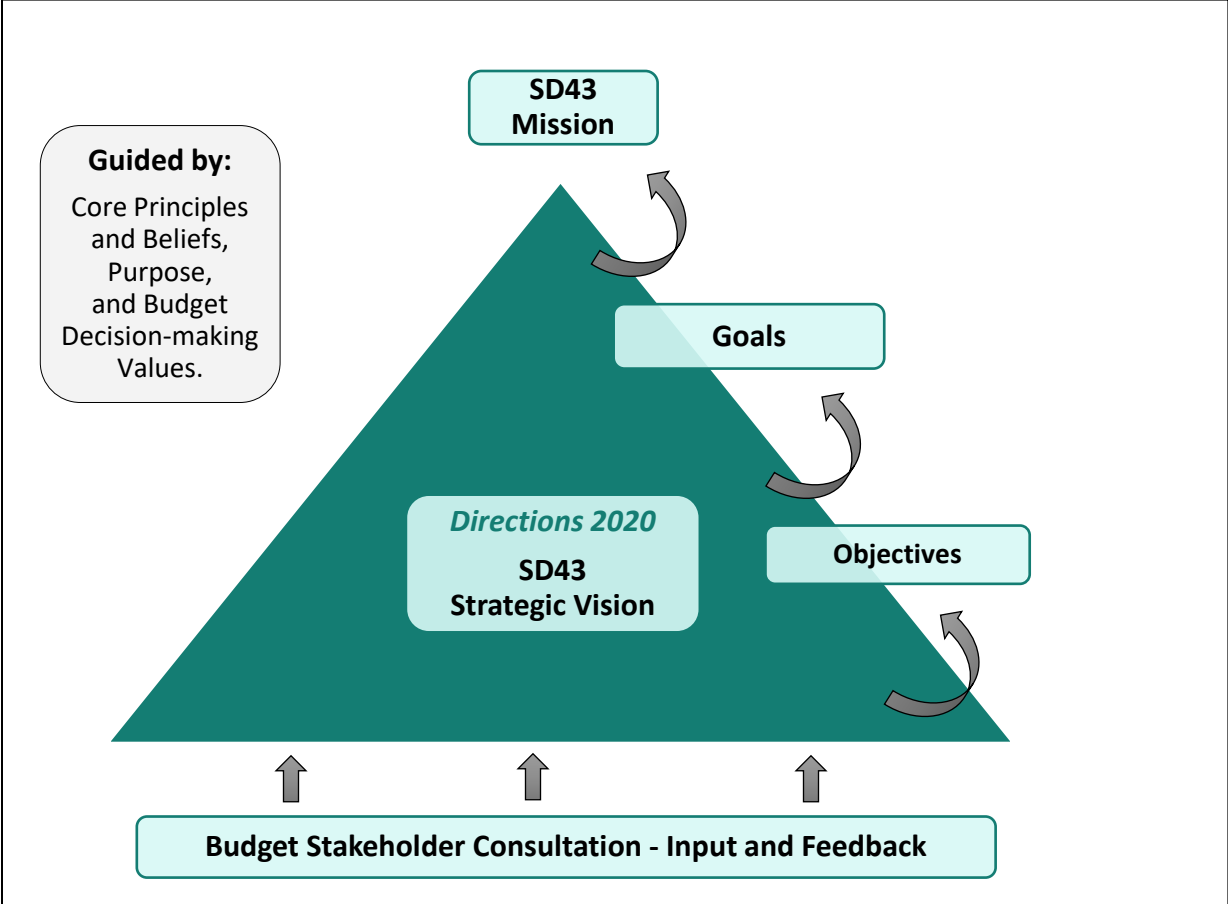
Aligning Budget Planning and Resource Allocation with *Directions 2020*

The School District is committed to a model of transparent budget planning and resource allocation that is directly aligned with our strategic vision and goals, *Directions 2020*, 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 2020*;
- 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.

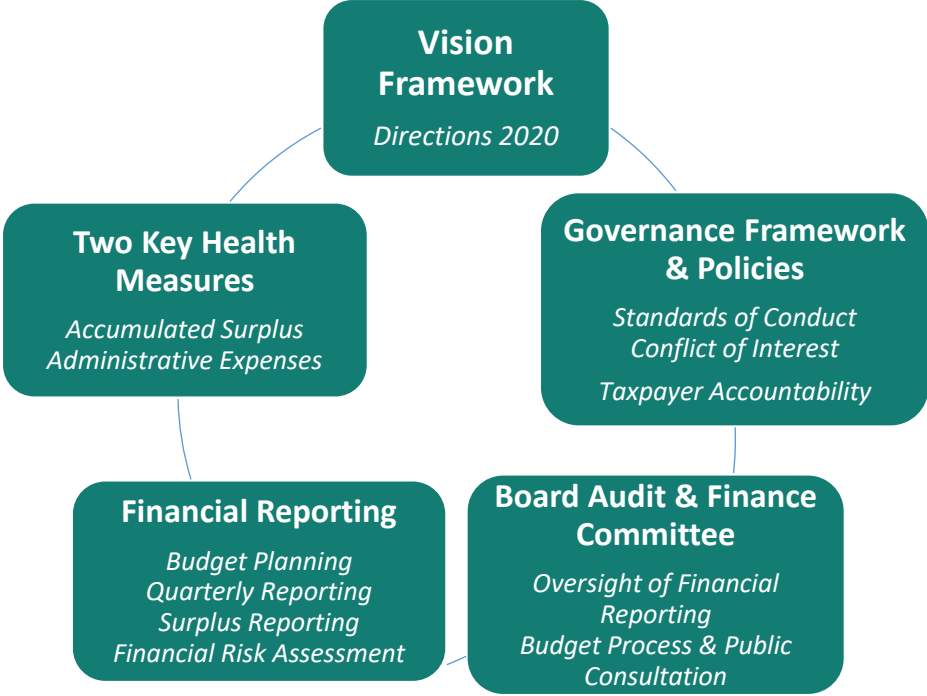
The model will ensure that budget input and resource allocations are connected to and aligned with the *Directions 2020* vision, goals and objectives. This model is an integral part of the School District’s operating culture.



Financial Governance and Accountability

The Board has fully adopted and incorporated all of the recommended Ministry of Education requirements pertaining to financial governance and accountability. This includes practices that the Office of the Auditor General would define as best practices.

- The District has a strategic plan and vision (*Directions 2020*) with clear goals and expectations;
- A robust governance framework including standards of conduct and conflict of interest reporting requirements;
- Accountability practices including regular financial reporting;
- An established Finance and Audit Committee;
- Direct engagement with external auditors; and
- A balanced budget with policy provisions (accumulated surplus) to address unforeseen and emergent issues



Accumulated Operating Surplus Policy

The School Board has established an Accumulated Operating Surplus Policy as part of its multi-year financial approach for stable and sustainable organization health;

To the extent that there is an excess of revenues to expenditures (operating surplus) in any fiscal year that:

- a) Any surplus in excess of 2% of total operating revenues will be set aside into an unallocated fund for subsequent use as determined by the Board;*
- b) 25% of the balance of the operating surplus funds be directed to one-time opportunities primarily associated with technology, educational initiatives and deferred maintenance of facilities; and*
- c) 75% of the balance of operating surplus funds be allocated equally over the subsequent three fiscal years, but no more than the aggregate surplus budgeted in the year (excluding one-time funding from the unallocated fund). Any excess of funds will be set aside into the unallocated fund.*

The Board reviews this policy annually and provides further details in the audited financial statements as to how restricted surplus funds are planned to be utilized in subsequent years.



Taxpayer Accountability Principles

The Board has incorporated the six **Taxpayer Accountability Principles** which are embedded within *Directions 2020* strategic goals. These are designed to strengthen accountability, promote cost control and ensure that the public sector operates in the best interest of taxpayers.



1. **Cost Consciousness (Efficiency)** – Strengthen cost management capabilities by providing educational services as efficiently and effectively as possible.
2. **Accountability** – Transparently manage responsibilities and enhance organizational efficiency and effectiveness in planning, reporting, and decision making.
3. **Appropriate Compensation** – Comply with a standardized approach to performance management and employee compensation
4. **Service** – Maintain clear focus on positive outcomes for student success.
5. **Respect** – Engage in equitable, compassionate, respectful, and effective communications.
6. **Integrity** – Make decisions and take actions that are transparent, ethical and free from conflict of interest.

Budget Goals

The District has as its budget objective the aim of providing long-term stability and sustainability through multi-year financial planning.

Carefully planned and responsible multi-year changes in measured amounts allow for long-term budget stability and sustainability.

- Allows for long-term sustainable planned budget additions
- Smooths large fluctuations in budget changes
- Helps manage unforeseen funding risks

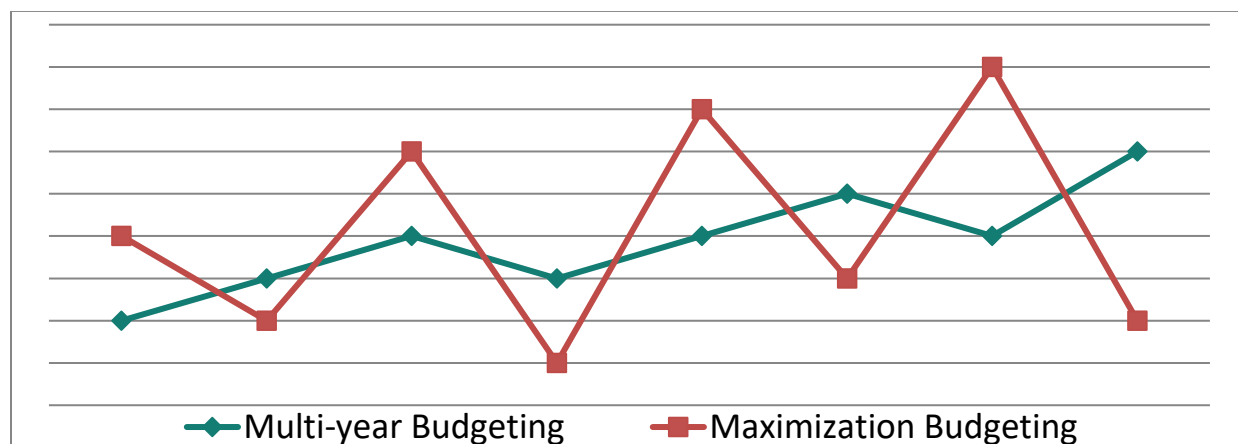
More funding for schools to support and enhance teaching and learning.



School District budgeting is extremely complex due to the lack of multi-year funding certainty, limited Ministry funding for inflation and the frequent adoption of new and unfunded initiatives.

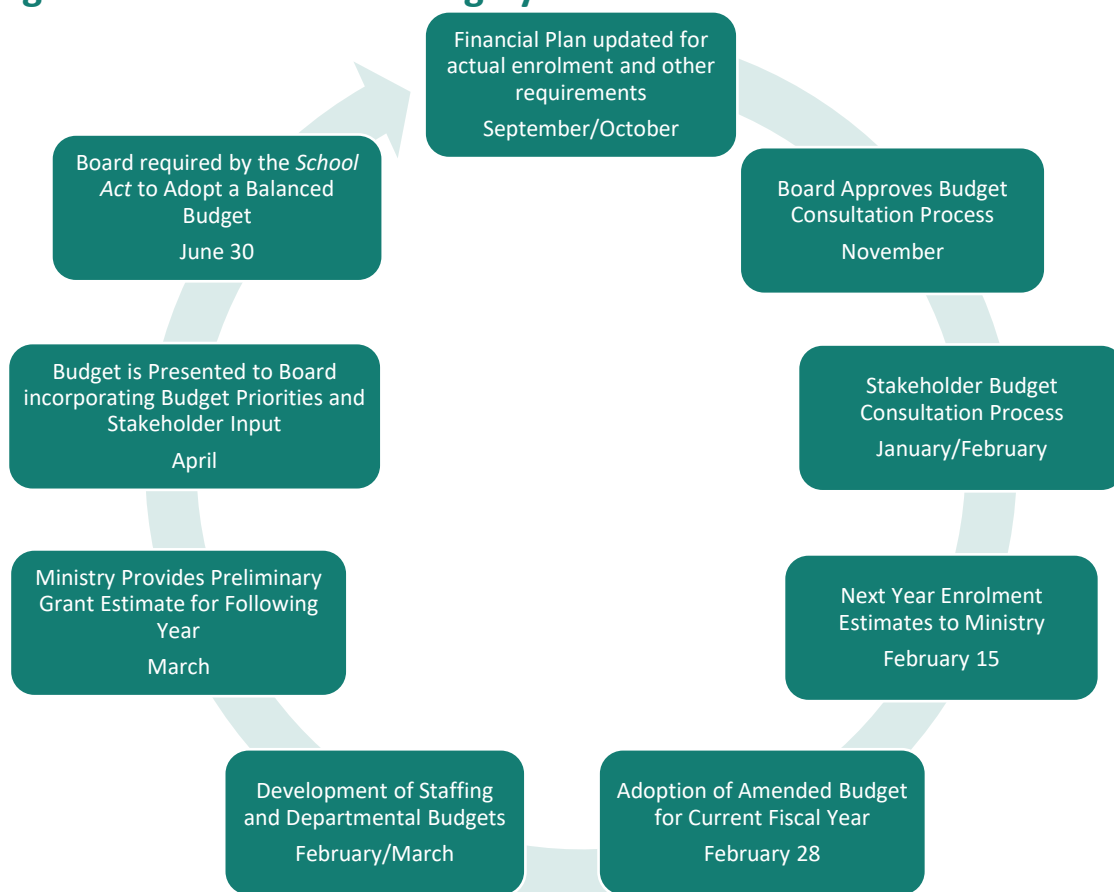
Multi-year financial planning is a strategic budget management method of making carefully planned and responsible changes in measured amounts over several years to smooth out large fluctuations in year-to-year resource and staff additions or reductions due to unforeseen costs and other circumstances.

Multi-year financial planning as a budgeting framework will build the School District' long-term stable financial position, help manage future risks from unforeseen situations, and most importantly allow for the planning of ongoing responsible and sustainable positive changes to the education system.



As shown in red in the graph above, maximizing an annual budget surplus each year can lead to a pattern of adding and reducing resources which creates an unstable and uncertain education system for students, parents and employees. As shown in green, a multi-year distribution of annual budget surplus over the medium term helps to smooth funding changes and avoid sudden and frequent program changes.

Budget and Financial Planning Cycle



September/October: Financial plans updated to capture September actual enrolment outcomes.

November: Board approves the Budget Consultation Process and timeline.

January/February: Board Budget Consultation Process – District Partner Groups – CTA, CUPE, CPVPA and DPAC are invited to present their Budget priorities for the next school year

February 15th: District submits an estimate of next school year FTE student enrolment to the Ministry of Education.

February 28th: Board must adopt an Amended Annual Budget for the current school year.

March 15th: Ministry releases preliminary Operating Grant Revenue estimates for upcoming school year.

February/March: Finance Department leads development of staffing, school and departmental budget estimates for next school year incorporating Board priorities.

- Salary budgets are determined by establishing an average teacher salary for the upcoming year which includes the costs of all contractual salary increments and benefit costs.
- A Consultation Guide to frame the financial environment and budget process is released.

April: Draft Preliminary Budget and documented assumptions are presented to the Board and Public for comment.

May: New Budget uploaded into Finance system and budget decisions implementation planning initiated.

June: The School Acts requires that the Board must pass a balanced budget before June 30 each year.

The Difference between Capital Budgets, Operating Budgets and Special Purpose Funds

As one of the major employers in the Lower Mainland, the Board has a large and complex budget.

There are three separate sections of the budget. The following illustration shows what is funded from each section.




Operating Budget	Capital Budget	Special Purpose Funds
 <ul style="list-style-type: none">• Learning• Teaching• Programs• Administration	 <ul style="list-style-type: none">• Buildings• Fields• Infrastructure	 <ul style="list-style-type: none">• Specific time frame (12 months, 24 months)• Specific function• Examples:<ul style="list-style-type: none">○ Learning Improvement Fund○ Annual Facilities Grant○ Community Link

Image source: <http://wpmedia.business.financialpost.com/2014/01/money.jpg?w=620>

The budget process primarily focuses on areas where the Board is able to make changes – within the operational budget.

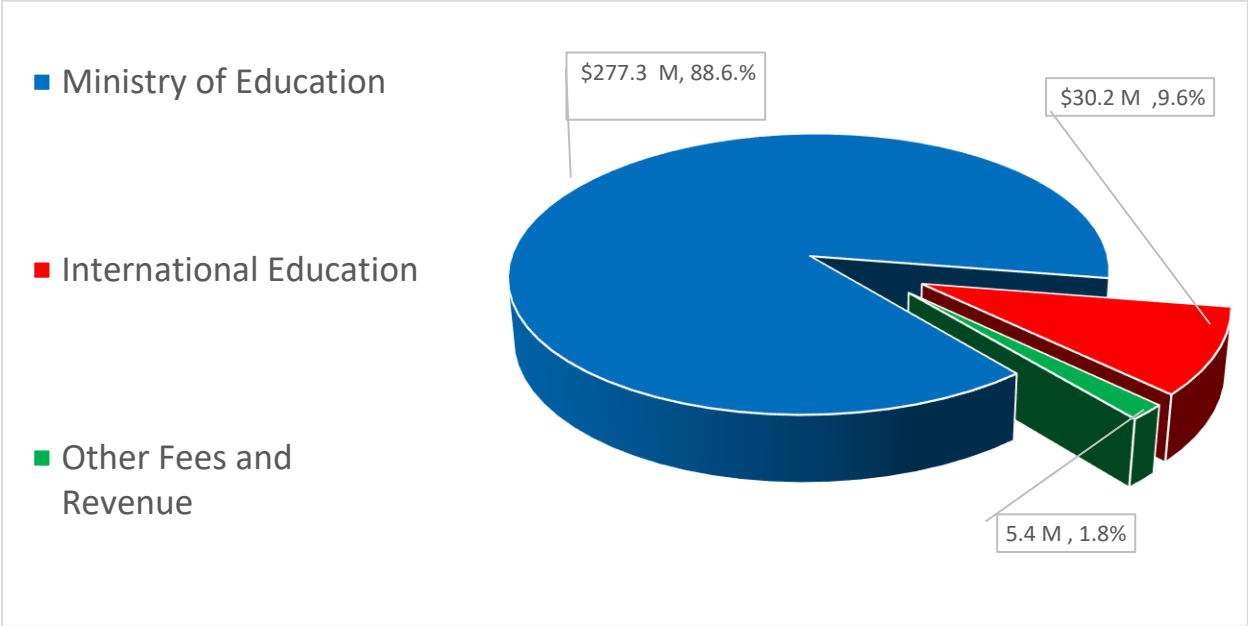
Any funds within the capital budget may not be used for operational budget items.

Special purpose funds are for designated purposes which can supplement operational activities. That said, similar to capital funds, they may not be used for operational budget items.

Make up of a School District Operational Budget

The operating budget in 2018-2019 was \$302.9 million. As the chart below shows, the majority of this funding, 89.7%, comes from the Ministry of Education.

SD43 Sources of Revenue 2018-2019



Funding

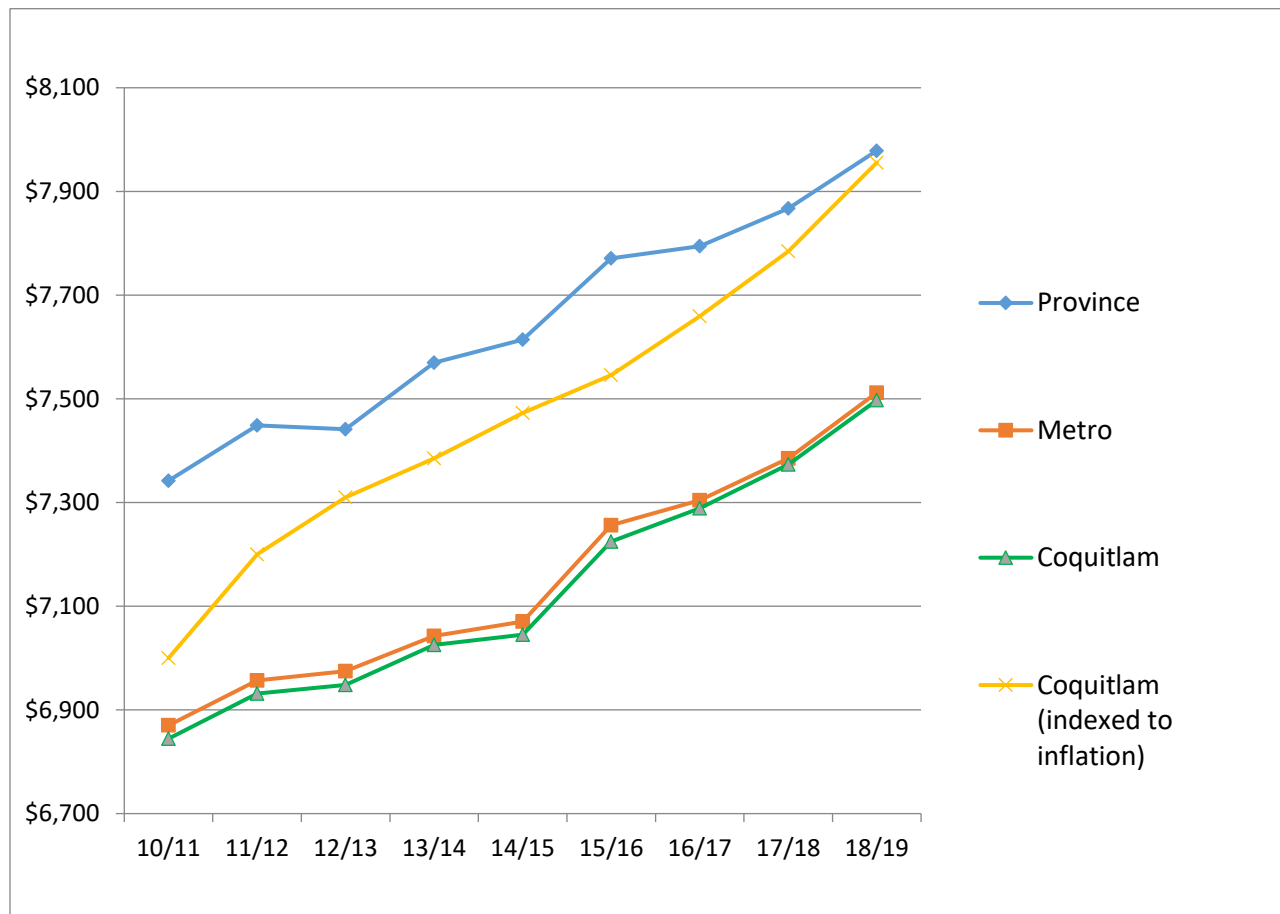
The basic student operating grant allocation for 2018-2019 is \$7,423 per FTE student. SD43, like other school districts, also receives additional fund for unique student and school district factors.

Provincial funding however has not kept up with inflation. Based on estimated Operating Grants there are 17 out of 60 school districts that are reporting declining enrolment and/or qualify for funding protection. These school districts receive an additional \$10.5 million in support. SD43 is funded \$600,000 less due to funding protection provided to these school districts.

SD43 ranks 57th in funding out of 60 school districts for 2018-19.

In terms of funding for 2018-19, SD43 currently receives \$7,497 per student (excluding special student needs and salary differential factors) while the provincial average is \$7,979 per student. This difference of \$481 per student is significant considering that there are approximately 31,000 students in the District.

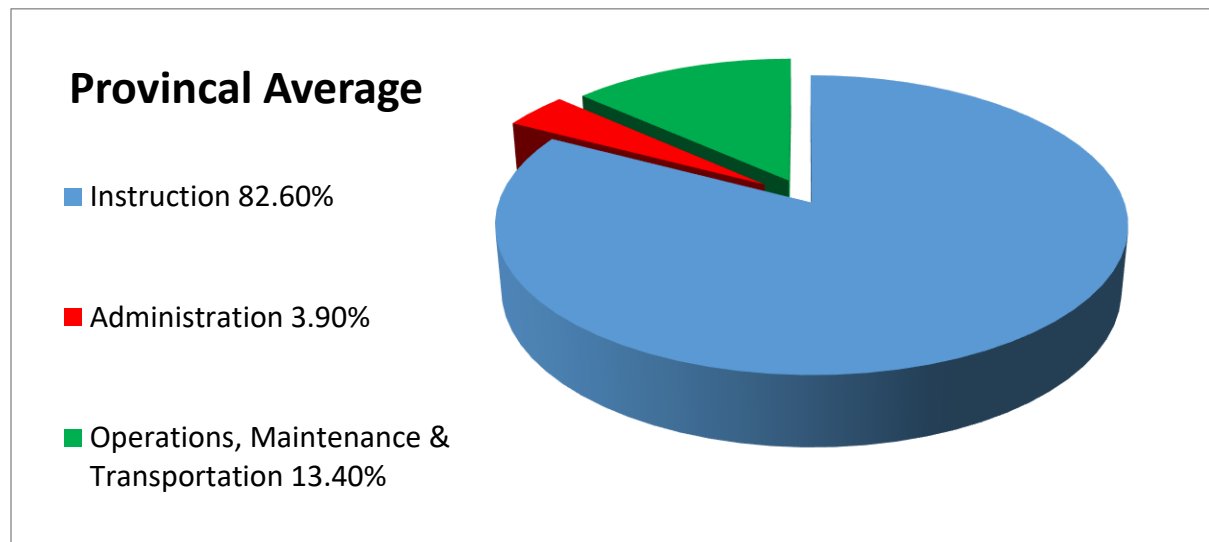
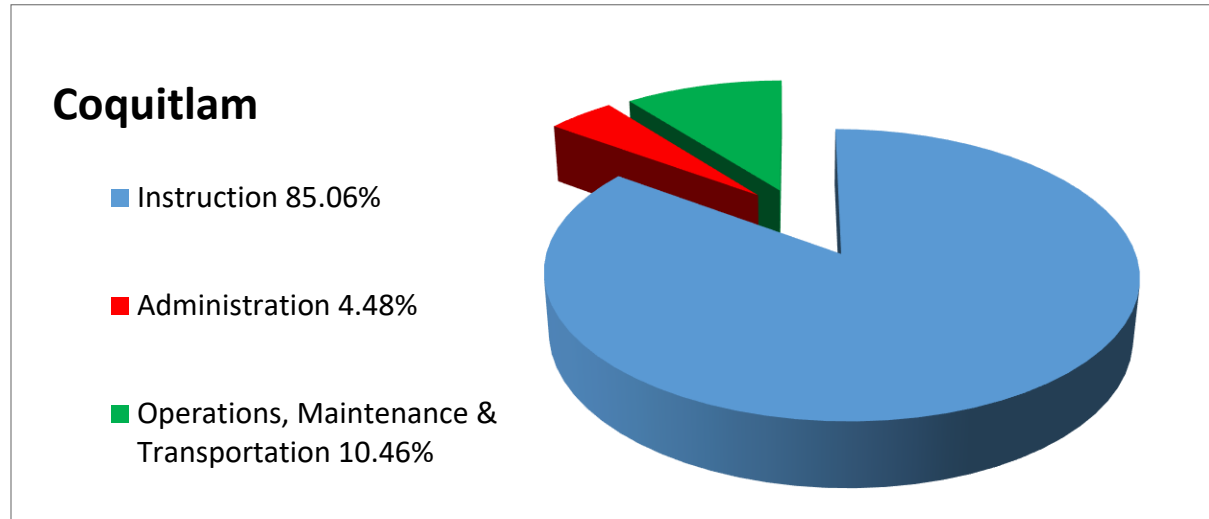
This trend is not new and the chart below shows how funding per student has not kept up with costs in recent years. If total grants had kept up with inflation since 2009-2010, SD43 would have received \$7,956 per student. The difference of \$458 per student (compared to the actual funding of \$7,497) equates to approximately \$14 million funding shortfall.



Placing Instruction First

The Board has always placed students at the forefront of decision making when it comes to budgets. The Board has made decisions to maximize the funds available for instruction in the classroom. In fact, the Board spends more of its budget on instruction than the provincial average.

SD43 (Preliminary) Operating Expenditures 2018-2019



A History of Student Success

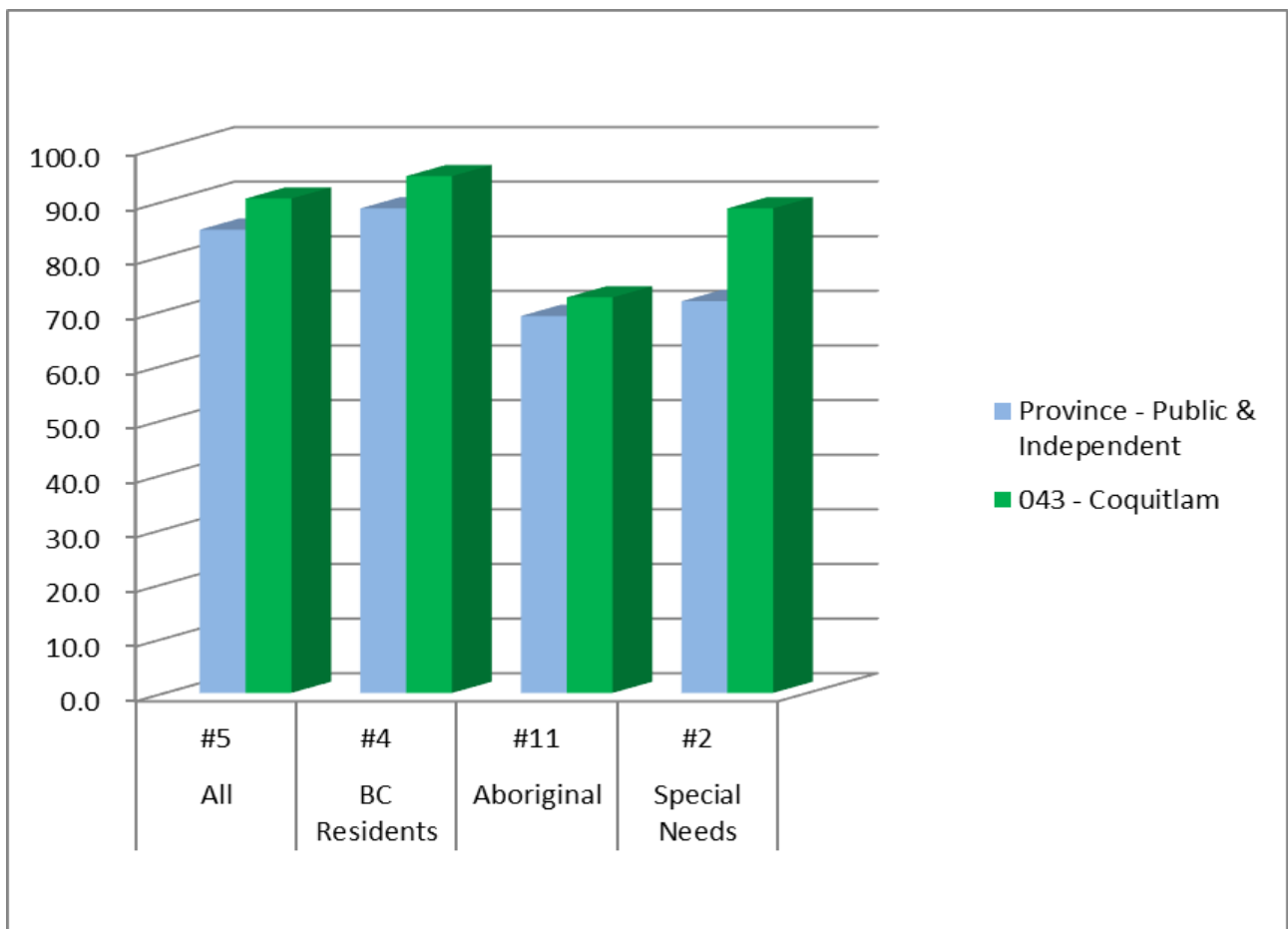
Through the budget process, the Board will seek to maintain a high achieving and sustainable organization for the long-term which is built on our past successes. We will seek new and innovative ways to deliver our services which will ensure that we maximize our budgets and ensure quality learning for all students.

SD43 has a history of student success. The 2018 Achievement Levels released by the Ministry of Education 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 reflects our student performance and ranking in all provincially measured areas against school districts where graduates exceed 500 students.

SD43 2018 Achievement Levels



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

Board of Education Values

The following values will guide the Board of Education in budget decision making:

1. **Inclusiveness:** We invite all stakeholders to participate in discussion and provide feedback.
2. **Integrity:** We respond to stakeholder input in an honest and forthright way, balancing the multiple needs of the various stakeholder groups while meeting the legal requirement of maintaining a balanced budget under the *School Act*.
3. **Commitment:** We commit to first defining issues, followed by reviewing engagement with stakeholders, then summarizing information and research, and finally reporting on decisions.
4. **Accountability:** We demonstrate that the results and outcomes of the process are consistent with the commitment made to stakeholders at the beginning of the process.
5. **Transparency:** As decision makers, we ensure stakeholders have opportunities to understand the scope, constraints and process for a pending decision.

Stakeholder Engagement Commitment

What is Stakeholder Engagement?

Stakeholder engagement is a two-way dialogue to allow the Board and our many stakeholders to define opportunities and challenges, and work together on solutions. It allows for valuable input to the School District's direction and decision making.

Your Role as Stakeholders

To make stakeholder engagement a success, your role is to learn, engage and contribute. Start by visiting the SD43 Budget website at www.sd43.bc.ca/budget to:

- Learn about government funding and allocation;
- Learn about the SD43 budget process;
- Learn about *Directions 2020*, the School District's vision;
- Engage in the consultation by asking questions about the budget;
- Expect responses to your concerns and input; and
- Contribute ideas that align with the goals and objectives from *Directions 2020* on how to address the opportunities and challenges.

Our Role as Trustees

As the elected decision making body, we are accountable to the interests of public education and our role is to:

- Listen to you;
- Respond to your questions and concerns;
- Consider your ideas and input; and
- Propose action and report back to you.

Stakeholder Engagement Process

Ongoing through to April 16, 2019	April 9, 2019	April 16, 2019	April 23, 2019
All Stakeholders	Preliminary Budget Presentation	Stakeholder Feedback	Final Budget Presentation
Meetings with departments and partner groups, public Board meeting discussions and presentations, a special public Board meeting with public presentation opportunities and presentations of budget recommendations.	The Board is presented with a preliminary budget for deliberation at this public Board meeting.	The public is invited to comment on the proposed preliminary budget at this special public Board meeting.	The Board is presented with a final budget for consideration and decision at this public Board meeting

Board Decision

There will be three public events leading up to the Board communicating its decisions on next steps for the budget. All stakeholders are invited to attend.

Who we Consult

Everyone is invited to comment on the School District's activities and initiatives. Here is a sample of stakeholders we hope to hear from:

- Parents and students
- Educators and administrators
- Community members and neighbours
- Community partners
- Business groups
- Local and provincial governments
- First Nations
- Diversity groups
- Non-profit groups
- Recreation commissions and sports groups
- Local health authority

Wish to Provide Feedback to the Board?

The Board welcomes stakeholder feedback.

Email: budgetfeedback@sd43.bc.ca

Mail: Attn: Board of Education
School District No. 43 (Coquitlam)
550 Poirier Avenue, Coquitlam, BC V3J 6A7

In Person: by attending one of the meetings detailed on the next page

Learn. Engage. Contribute.

We are using a variety of methods to help you **learn**, keep you informed so you can **engage** in this process, and provide several opportunities for you to **contribute**.

Your Local Newspaper

In print or online, look for public notices about public events, times and location in the Tri-City News. We will also keep local reporters informed and request that they share stories and provide their independent insights and perspectives.

School District Website

All information on this process is available at www.sd43.bc.ca/budget. Check out the “FAQs” section, which will be continually updated with your questions and answers.

Board Meetings

We have a series of Board meetings where budget information will be shared and discussed by the Board of Education.

Twitter and Facebook

Budget information and event reminders will also be communicated through the School District’s Twitter and Facebook channels: www.twitter.com/sd43bc and www.facebook.com/sd43bc

Stakeholder Events Schedule

Stakeholder information and consultation events take place in April as outlined below.

- **Public Board Meeting - Presentation of 2019-2020 Preliminary Budget**
Tuesday, April 9, 2019, 7:00 pm
Winslow Centre Gymnasium, 1100 Winslow Avenue, Coquitlam, BC
The Preliminary Budget will be presented at this Regular Public Board Meeting
- **Special Public Board Meeting - Stakeholder Feedback**
Tuesday, April 16, 2019, 6:30 pm
Winslow Centre Gymnasium, 1100 Winslow Avenue, Coquitlam, BC
This will be an opportunity for stakeholders to present feedback to the Board on specific aspects of the budget. If you or your group would like to present feedback, please review the *Guidelines for Stakeholder Feedback* and submit the required information by 9:00 am on Thursday, April 11, 2019 at the link provided on the Budget Process website (under “Contribute”).
- **Public Board Meeting - Final Budget Presentation and Board Approval**
Tuesday, April 23, 2019, 7:00 pm
Winslow Centre Gymnasium, 1100 Winslow Avenue, Coquitlam, BC
The annual budget will be presented to the Board for approval at this Regular Public Board Meeting. This final budget would incorporate changes requested by the Board based on stakeholder feedback.

There will be an opportunity for questions at each of the meetings outlined.

Decision Making Process

The Board values all feedback and considers it carefully in making budget decisions. The input shapes outcomes and influences the options considered during the 2018-2019 budget process. As the elected body representing the people, the Board will make the final decision.

3-Phase Budget Planning Process

1. **Research** (ongoing through April 16, 2019): This phase includes background research, meetings with departments and partner groups, stakeholder feedback, questions and answers and public board meetings.
2. **Reporting** (April 9 and 16, 2019): This phase includes the presentation of the preliminary budget, stakeholder feedback, report on findings and results, as well as early recommendations on the vision, planning ideas and overall direction.
3. **Next Steps** (April 23, 2019): This phase presents the final budget to the Board for approval.

Evaluation

The Board will make decisions based on its strategic goals and objectives outlined in *Directions 2020*.

Contacting Management

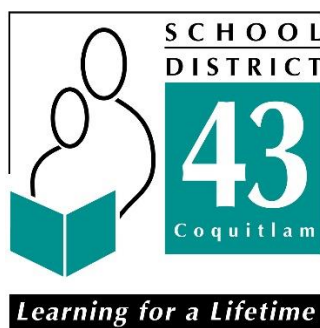
This consultation guide is designed to provide the School District's stakeholders with a general background of the framework in which the budget process leading to a Preliminary Budget occurs, to demonstrate increased transparent accountability to the public and the criteria under which the budget is developed.

If you have questions about this guide, please contact the Office of the Secretary–Treasurer/Chief Financial Officer at 604-939-9201.

You are encouraged to also review the Board's strategic vision and plan [*Directions 2020*](#).

Providing Feedback and Input

The Board welcomes your feedback. Please email the Board at: budgetfeedback@sd43.bc.ca



***“To ensure quality learning opportunities for
all students of all ages”***

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

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