

**BOARD OF EDUCATION** 

Attached

Attached

Attached

Presentation

#### **BUDGET ADVISORY COMMITTEE MEETING**

November 25, 2019 4:30 p.m. District Education Office

#### **AGENDA**

- 1. Call to Order
- 2. Acknowledgement of Indigenous Territory
- 3. Jenny Veenbaas, Assistant Secretary-Treasurer Introduction
- 4. Election of Chair
- 5. Approval of the Agenda
- 6. Approval of Minutes May 13, 2019
- 7. Mandate
- 8. Meeting Dates
- 9. Preliminary Budget 2019/2020
- 10. Questions
- Adjournment
- Next Meeting: January 13, 2020 4:30 p.m. District Education Office - Hope

#### BOARD OF EDUCATION SCHOOL DISTRICT NO. 78 (FRASER-CASCADE) DRAFT MINUTES OF THE BUDGET ADVISORY COMMITTEE MEETING May 13, 2019

#### **PRESENT:**

Board - Committee Members:		
John Koopman	Trustee	
Heather Stewin	Trustee	
Linda Kerr	Trustee	
Representatives:		
Cathy Speth	Representative	AEC
Tammy McLaren	Payroll	CMAWBC
Bruce Becker	Principal	FCPVPA
Greg Lawley	Vice Principal	FVPVPA
Staff:		
Karen Nelson	Superintendent	
Natalie Lowe	Secretary-Treasurer	
Kevin Bird	Assistant Superintende	nt
Recording Secretary:	Laurie Bjorge	
Regrets:		
Shannon Perna	Teacher	FCTA
Wayne Bobb	Representative AEC	
Wendy Clark	Parent	DPAC
Karl Koslowsky	Vice Principal	DISTRICT
Cheryl Davidson	Representative	AEC
Amy Smith	President	FCTA
Aaron Dodd	Teacher	FCTA
Darlene Smith	Payroll	CMAWBC

#### 1. <u>Call to Order</u>

The Secretary-Treasurer called the meeting to order at 4:30 p.m. in the District Education Office in Hope, B.C. The Secretary-Treasurer said a few kind words on the passing of Trustee Tom Hendrickson, chair of the Budget Advisory Committee.

The Secretary-Treasurer called for nominations for the Committee Chair. Trustee Koopman nominated Trustee Stewin. Trustee Stewin becomes new Committee Chair by acclamation.

#### 2. <u>Approval of Agenda – May 13, 2019</u>

#### SPETH/KOOPMAN

THAT the Agenda be approved as presented.

#### 3. Approval of Minutes – April 8, 2019

#### **KOOPMAN/SPETH**

THAT the Minutes of the Budget Advisory Committee meeting held on April 8, 2019 be approved.

#### **Carried**

#### 4. Annual Draft Budget 2019-2020

The Secretary-Treasurer reported on the draft budget for 2019-2020 which needs to be approved by the Board by June 30, 2019. Overall expenses and revenues were discussed. The 19/20 budget is very close to the current budget as there is a very small expectation in increase to student enrolment.

Contract negotiations have begun. It is unknown at this point what impact wage increases will have on the budget. Some of the expected wage increases haven't been built into this budget, but if increases occur they will be funded. This is the first year that high staffing levels have been left in place at this point in the year. We need to keep the teaching staff that we have and not lose them to other districts.

Operations and maintenance costs have increased as a result of building up the department to enable more in-house work. The district hired a HVAC person, and electrician. These people needed equipment. The district increased the inventory of equipment that we haven't had before such as snow clearing equipment. The Director has been diligent in applying for school enhancement grants.

Special purpose funds are monies from the Ministry that has to be spent and reported on specific items directed by the Ministry such as Community Link, Strongstart, AFG. Extensive reporting is done by district staff to the Ministry as required.

#### KOOPMAN/STEWIN

THAT the Annual Draft Budget 2019-2020 be sent to the Board for approval.

#### Carried

#### 5. Preliminary Budget Report 2019-2020

The Secretary-Treasurer referred the committee to the Budget Report that she uses to create the Draft Budget. The Secretary-Treasurer noted that the auditor cost has increased since the change in auditing companies.

#### 6. <u>WorkSafe BC Premium Rate</u>

The Secretary-Treasurer wanted to bring attention to the positive reporting of our WCB record. The district received a 29% discount resulting in a below average cost as a result of keeping our work related injuries low.

#### 7. <u>Staffing</u>

The Secretary-Treasurer reported on the support staff lay-offs which happens each year. This is done because students move around and we have to make sure the staff are where they need to be. Laid off staff will likely be hired back in the fall. There are no teacher lay offs this year.

The Secretary-Treasurer reviewed the Replacement Budget/Cost Comparison. This is the cost of replacing staff on leaves.

#### 8. <u>BCPSEA Benefit Figures</u>

The Secretary-Treasurer reported on benefit cost reports broken down by teachers, principals/vice-principals, and non-teaching staff. These numbers explain how premiums are derived and whether premiums increase or decrease. There have been improvements to the support staff benefits. There is a movement to improve principal and vice-principal benefits.

#### Adjournment

#### /KOOPMAN

THAT the meeting be adjourned at 5:15 p.m.

Notice of Next Meeting: Fall 2019 District Education Office Carried

#### SCHOOL DISTRICT NO. 78 (FRASER-CASCADE)

#### **BUDGET ADVISORY COMMITTEE**

#### **Purpose:**

The purpose of this Committee is to review the detailed budget and make recommendations to the Board. This Committee will review the draft budget information, funding information, requests from stakeholder groups and provide recommendations to the Board. The Board may annually invite stakeholders to a meeting, which would allow for a session to review Budget information and a session for presentations from the various stakeholder groups. The Committee will also meet during both the preliminary and final budget process.

#### **Representation:**

The Committee shall consist of three Trustees appointed in December of each year by the Chairperson of the Board. The Budget Advisory Committee shall also be comprised of the Superintendent of Schools, the Assistant Superintendent, the Secretary-Treasurer, two Principals or Vice-Principals, two members of the Fraser-Cascade Teachers' Association, two members of the CMAWBC Local 2423, two representatives from Parent Advisory Councils, two representatives from the Aboriginal Education Advisory Committee, and one secondary school student. The role of the Superintendent and the Secretary-Treasurer on this committee will be to provide the technical information required to allow the committee to make recommendations to the Board.

#### Voting rights on the Committee:

Each member of the Committee has voting rights on the Committee.

#### **Selection of Chair:**

At the first regular committee meeting in the new year, the committee shall elect one of the trustees to serve as chairperson for the committee.

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**BOARD OF EDUCATION** 

### **BUDGET ADVISORY COMMITTEE**

### MEETING DATES 2019-2020 District Education Office

November 25, 2019

4:30 p.m.

January 13, 2020 4:30 p.m.

April 6, 2020

May 11, 2020

4:30 p.m.

4:30 p.m.

# Prelim. Budget 2019 2020

S.D.# 78 (Fraser Cascade)



### Key dates:

- Feb 17- Minister announces Provincial funding
- Feb 12 Enrolment projections due from District
- Mid March funding announcement MOE
- Mar- April preliminary budgets developed
- April 30 end of lay-off period
- May 10 Board Meeting first reading of budget
- June 30- Approved budget due to MOE
- Sept 30 Enrolment snapshot
- Dec 15- amended funding provided
- Feb 28 Amended budget due

- Provincial Overview:
- Most of the public sector contracts have settled
- Overall debt is continuing to rise expected 82 B. by 2021
- Approx. \$4 B set aside to cover wage increases
- New BC Child Benefit
- Elimination of MSP premiums by 2020 (replaced by employer tax which will cost more)
- Investing \$6 M in respite services
- Investing \$85 M in children in care
- Investing \$75 M in mental health
- Investing \$18M in Adult Ed and ELL
- Investing \$21M in BC transit and HandyDART

- Ministry of Education Goals:
  - Goal 1: Improve Student Achievement and Success
  - Goal 2: Improve Student Outcomes
  - Goal 3: Improve Transitions to Post-Secondary Institutions

- K-12 Investment
- \$550 M over three years to MOE (31M to independent)
- \$423 M is allocated annually hire 4000 teachers
- \$325 M for Enrolment Growth
- \$58M for CEF- Classroom Enhancement fund
- \$73 M for impact of Employer Health Tax
- \$31 M in independent school funding
- \$2M in economic stability dividend and sustainable services negotiating mandate
- \$9M in new early learning initiatives Child care
- \$2 M for Teachers Act Special Account

- Capital Spending over the next 3 years:
- \$1.12 B for expansion and replacement projects
- \$791 M seismic mitigation program
- \$502 M asset rehab and maintenance
- \$15M for the \$5M/annum playground equipment program
- Carbon tax will increase by \$5 per ton effective April 2019 and an additional \$5 in each of the next two years to \$50 per ton by 2021. This will cost the district an additional \$10,000

- The MOE operating budget has increased primarily to cover off the additional enrolment and meet existing class size and composition requirements
- Inflation and impacts for carbon tax were not included in the budget
- Government is making historical investment in capital which is increasing the capital budget to 2.43 billion over the next three years

# Overview of 2019 2020 budget -prelim

- Provincially there was an increase of 3400 FTE projected this year with 484 FTE more students identified
- 39 districts are projecting increasing enrolment
- 11 districts still in funding protection
- 21 districts in enrolment decline most of which are very close to holding at last years enrolment
- \$115M increase in block- \$90M is new money and \$25M is the admin grant put back in the block
- Overall budget 5.338B

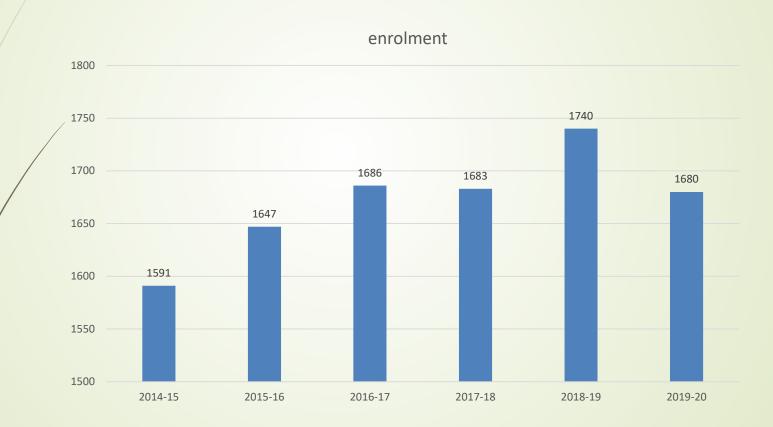
#### School District No. 78 (Fraser Cascade)

Budget 2019 2020

Enrolment report - Prelim.

School Name	2019/20 1701 FTE	2018/19	2017/18	2016/17	2015- 2016	2014 2015
School Name	FIL					
Hope Secondary	370.94	372.473	377	357	335.37	317.63
Boston Bar Elem-Secondary	49.75	56	52	50.5	59.25	51.75
Coquihalla Elementary	340	363	369	377	355	350
Harrison Hot Springs Elementary	104	101	101	104	93	98
Agassiz Elem-Secondary	311.25	328.375	308	307.13	317	300.75
Kent Elementary	283	293	293	298	274	264
Silver Creek Elementary	141	148	117	120	141	113
Two Rivers Education Centre	53	50	53	56	56.125	68.75
Agassiz Centre for Education	18	16	13	17	16.5	27.125
Cont inuing Education	1.25	2.125	3	2.65		
Q'aLaTKu7eM	8	11				
	1680.19	1740.973	1683	1686.63	1647.245	1591.005

School District No. 78 (Fraser Cascad	le)			
School Name	1701 FTE 2019-2020	Budget FTE 2019-2020	Difference Up (Down)	% Change
Agassiz Centre for Education	18	15	3.00	17%
Agassiz Elem-Secondary	311.25	322	(10.75)	-3%
Boston Bar Elem-Secondary	49.75	59	(9.25)	-19%
Continuing Education	1.25	5	(3.75)	-300%
Coquihalla Elementary	340	356	(16.00)	-5%
Harrison Hot Springs Elementary	104	104	-	0%
Hope Secondary	370.94	390	(19.06)	-5%
Kent Elementary	283	288	(5.00)	-2%
Q'aLaTKu7eM	8	11	(3.00)	-38%
Silver Creek Elementary	141	140	1.00	1%
Two Rivers Education Centre	53	50	3.00	6%
	16 <b>1680.19</b>	1740	(59.81)	



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- This is another status quo budget per the MOE due to restructuring next year.
- The LIF funding will remain in place as well for support staff at \$20M. We have allocated the funds to support 2 SEA's in two schools
- Govt. has given out Classroom Enhancement funds to implement our former CA language. Currently we have asked for \$1.392 M for staffing and \$116,000 overhead for 2019/2020 (Prov.\$371M)

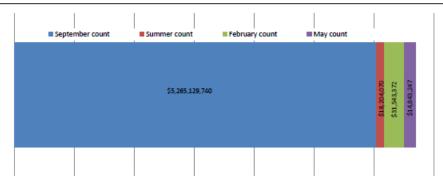
Increases in Rates for last 3 years

- Per pupil up from 7301to 7423 to 7468 \$49
- Lev. 1 up 38,140 to 38,800 to 42,400 \$3,600
- Lev. 2 up 19,070 to 19,400 to 20,200 \$800
- Level 3 up 9610 to 9800 to 10,250 \$450
- ELL up 1395 to 1420 to 1,495 \$75
- AB ed up from 1210 to 1230 to 1,450 \*\* \$220
- Adult up from 4618 to 4696 to 4,773 \$77
- This is to accommodate the increases in salaries and benefits we have experienced over the last two years. My budget file has been adjusted accordingly. Average staffing has been increased and allocation factors have been adjusted in the same percent plus extra in a supplement to support school costs and inflation

Supplement Rate Increases				
Supplement	2019/20 Rate Increase	2019/20 Rates		
Basic Allocation (excluding Distributed Learning)	49.38	7,468.00		
Summer (Gr 1-9)	3.00	215.00		
Summer (Gr 10-12)	7.00	439.00		
Students with Special Needs – Level 1	3,600.00	42,400.00		
Students with Special Needs – Level 2	800.00	20,200.00		
Students with Special Needs – Level 3	450.00	10,250.00		
English / French Language Learners	75.00	1,495.00		
Indigenous Students	220.00	1,450.00		
Non-graduated Adult Education	77.00	4,773.00		
Student Location Factor (elementary)	6.96	266.46		
Student Location Factor (secondary)	9.28	355.28		
Small Community	N/A	N/A		
Low Enrolment	N/A	N/A		

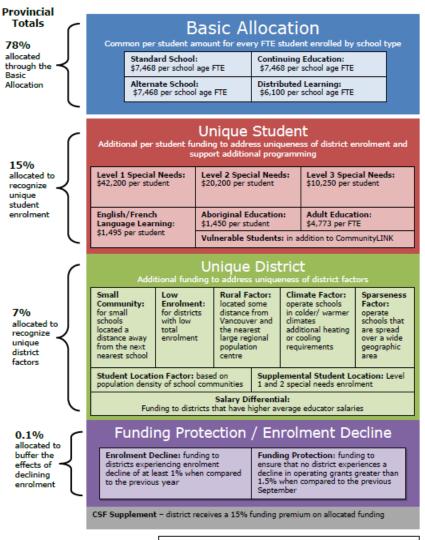
- Government held back 2M provincially to support running BCPSEA (EDAS needs upgrading and bargaining is happening) and pay for copyright infringement back to 2013.
- This amounts to \$4.38 per FTE
- The infringement costs will continue be taken into the future until repaid.
- Our share of the Employment Practices Liability program was \$16,247 for the current year

#### Allocation of the total Operating Block and Enrolment counts (2019/20 estimated as at March 2019)



#### Funding Adjustments:

- Districts' preliminary allocations are adjusted after each of the enrolment counts; September 30<sup>th</sup>, February and May;
- District 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 <u>last</u> and ensures that districts do not experience a funding decline of greater than 1.5% compared to the previous year <u>for the September</u> <u>count</u>;
- 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.



# Budget 2019 2020-Prelim.

Name	2019-2020 Prelim Budget	2018-19 Final Budget	Variance
	\$0	\$0	\$0
Operating Grant MOE			
	\$20,806,140	\$20,161,566	\$644,574
Other MOE Grants			
Pay Equity	229516	229516	0
Community Link Funding	350072	347788	2284
Admin Savings Grant	163264	0	163264
French Grants	10382	10382	0
Strong Start	96000	96000	0
Learning Improvement Fund	75787	75787	0
Ready Set Learn	12250	12250	0
Classroom Enhancement Fund	1508477	1733966	-225489
Other Grants	184576	184576	0
General		184576	0
	\$2,630,324	\$2,690,265	(\$59,941)
Other Income			
Local Education Agreements	0	0	0
Internation Student fees	24000	24000	0
Miscellaneous	15000	15000	0
	\$39,000	\$39,000	\$0
Rentals and Leases			
Rental Income	50000	50000	0
	\$50,000	\$50,000	\$0
Investment Income			
Interest Income	120000	120000	0
	\$120,000	\$120,000	\$0
Surplus/(Deficit) Carryforward			
Surplus/(Deficit) Carryforward Unrestricted	533084	533084	0
Surplus/(Deficit) Carryforward Restricted	1304781	1409125	-104344
Surplus/(Deficit) Allocation		1409125	-104344
	\$1,837,865	\$1,942,209	(\$104,344)
	\$25,483,329	\$25,003,040	\$480,289

### Budget 2019 2020- Adjusted

				2018-19 Final	
			2019-2020	Budget	Variance
Operating Grant	MOE				
			\$20,514,905	\$20,161,566	\$353,340
Other MOE Grar	nts				
Pay E	quity		229,516	229,516	-
Comr	nunity Link Fun	ding	350,072	347,788	2,284
Emplo	oyer Health Tax		163,264	-	163,264
Frenc	h Grants		10,382	10,382	-
Stron	g Start		96,000	96,000	-
Learn	ing Improveme	nt Fund	75,787	75,787	-
Ready	y Set Learn		12,250	12,250	-
Classi	room Enhancen	nent Fund	1,593,296	1,733,966 -	40,670
Other	r Grants		184,576	184,576	-
			2,715,143	2,690,265	378,218
Other Income					
Interr	nation Student	fees	24,000	24,000	-
Misce	llaneous		85,000	15,000	70,000
			109,000	39,000	70,000
Rentals and Leas	ses				
Renta	l Income		50,000	50,000	-
			50,000	50,000	-
Investment Inco	ome				
Intere	est Income		175,000	120,000	55,000
			175,000	120,000	55,000
Surplus/(Deficit	) Carryforward				
Surpl	Surplus/(Deficit) Carryforward		629,343	533,084	96,259
Surpl	us/(Deficit) Car	ryforward	1,335,289	1,409,125	73,836
		24	1,964,632	1,942,209	22,423
			25,528,680	25,003,040	525,641

- Currently we are in the midst of contract negotiations with our teachers. The support staff contract has been settled but the unknown teacher increase has not been factored into the budget.
  - As a general rule, the salary increases and associated costs have been funded by the MOE as it usually is significant enough that the costs cannot be absorbed.
- Inflation continues to be a factor in our budget as we see increasing costs across the board. Government is charging us more in carbon tax and MSP employer tax is a larger burden than just the premium costs were. We have been given a separate grant to cover that cost, but it only covers a portion

- We are seeing increases in hydro, gas and CPP increase in max insurable earnings will affect our budget.
- Our WCB rate has declined again which is positive and reflects well on the awareness of safety in our District. The base rate for Districts is \$0.81 and we pay \$0.58 well below average. We have been advised that our current experience rating will remain unchanged for Jan 2020
- Our budget takes into account the additional increases in our support staffing.
- Anticipated that 5-10% of the 100M LIF will be used to address students with mental health issues

- Learning Improvement fund
  - \$75,787 for support staff
  - We have been advised specifically to ensure this process is collaborative with our union signing off. The union president and the ST signed off on the plan in April 2019

- The district has implemented the 2002 class size language which calls for smaller classes in many cases and more resources for classes with more than three identified special needs students in a class.
- the funding to address the language has been allocated. The District has sent in the CEF spreadsheet showing the impacts of the language in order to access the funding. Our share in 2018/19 was \$1,617,903 for staffing. This does not include the overhead component of \$116,063.
- This year we requested 1,477,233 for staff. This does not include remedy or overhead.

Our average teacher salary has been as follows:

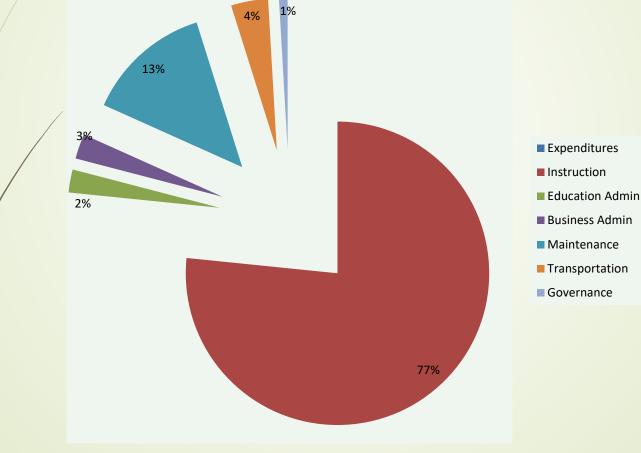
- **2015/16** 72,747
- **2016/17** 73,657
- 2017/18 74,099 plus benefits
- **2018/19** 75,214
- **2019/20** 75,600
- We have continued to increase our average teacher salary to \$75,600 for budgeting
- Excluded staff also just received increases ranging from 4% to 8% depending upon their place on the regional grids. This has meant an additional cost to the District of \$150,000 more which must come from the funding provided

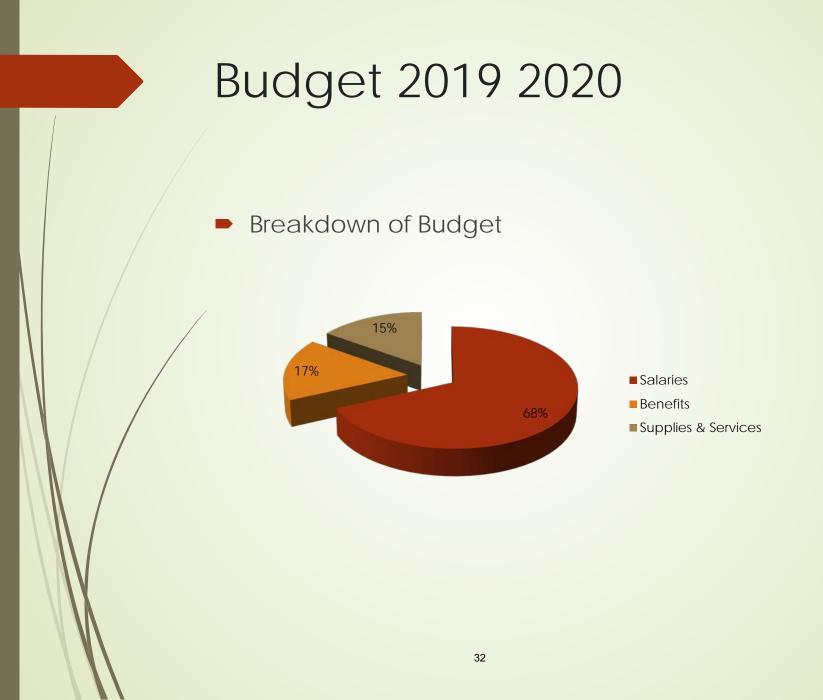
#### Money for programs:

- Part time Trades Coordinator \$ 63,000
- Funding for trades program \$ 35,000 (teacher time)
- Block release for Mountain School \$12,000
- Innovative Practices funding
- Additional staffing for special education \$100,000+
- Additional Principal time for transition \$90,000
- Swim/Activity Programs \$30,000
- Innovative Shop/Choir at BBESS \$18,000
  - Total \$382,000

\$ 34,000

 The innovative practices funding will come from the Curriculum and Learning Support funds (Formerly BC Ed plan) which now have to be reported on.





### Budget Recap

- Technology demands:
  - We have maintained our technology evergreen plan. Every second year a school receives funding for upgrades. A total of \$70,000 per year is set aside. We are using some for a new initiative with SD 23 called Ed Plan Insight – a data collection tool for assessment reviews

Transportation grant

There were supposed to be new requirements to access the federal portion of the transportation funding. I understand that the implementation of this change is being delayed one year.

Swim Program

With the new agreement in place, we are using some of the funding currently allotted for swimming for other activities including curling, skiing and outdoor education and busing for the activities

- The District continues to be conservative in budget approach to try to ensure that the impacts of the changes in funding and costs do not mean any major cuts.
- We are continuing to work on teacher collaboration and other initiatives to assist in implementing the new curriculum. The BC Ed plan money of \$34,769 is being used to support Pro-D and collaboration time at the schools. We are also supporting professional development to ensure staff are exposed to the latest information on education transformation.

- The District hired two more tradesmen to do electrical and mechanical work in the District. A portion of their salary will be covered by the in house capital work we will be able to undertake.
- The District has continued to maintain the low administration overhead to keep the focus on the classroom needs.

Work is also being done in maintenance and transportation to try to streamline work and find bulk purchasing savings through shared services work.

### Reserve/Contingency/Surplus

- We have approximately \$3.5 M unrestricted surplus
- The District is tapping into the unrestricted surplus to balance the budget. For two years we have used \$250,000 each year
- The District has approved a surplus policy to help guide the Board in their future decision making.
- We are to understand that there will be more rules surrounding budget carry-over and use of restricted funds
- The District will also put some rules in place regarding the budget committee's role as an audit committee after discussion with our new auditors.
- Our new auditors have been appointed for a three year term – they are KPMG out of Langley and Chilliwack

- The Ministry of Education is in the process of revamping our funding system.
- It has involved all partner groups and is intended to ensure there is equity in a system that has not been reviewed in 15 years.
- There is no intention to change the quantum of the funding, therefore there will be winners and losers.
- The formula will be implemented in the 20/21 year with transitional funding to Districts so they can adjust over a short time
- Recommendations for Funding Changes

