

Burnaby Board of Education

Public Budget Presentation

April 9, 2014

Agenda

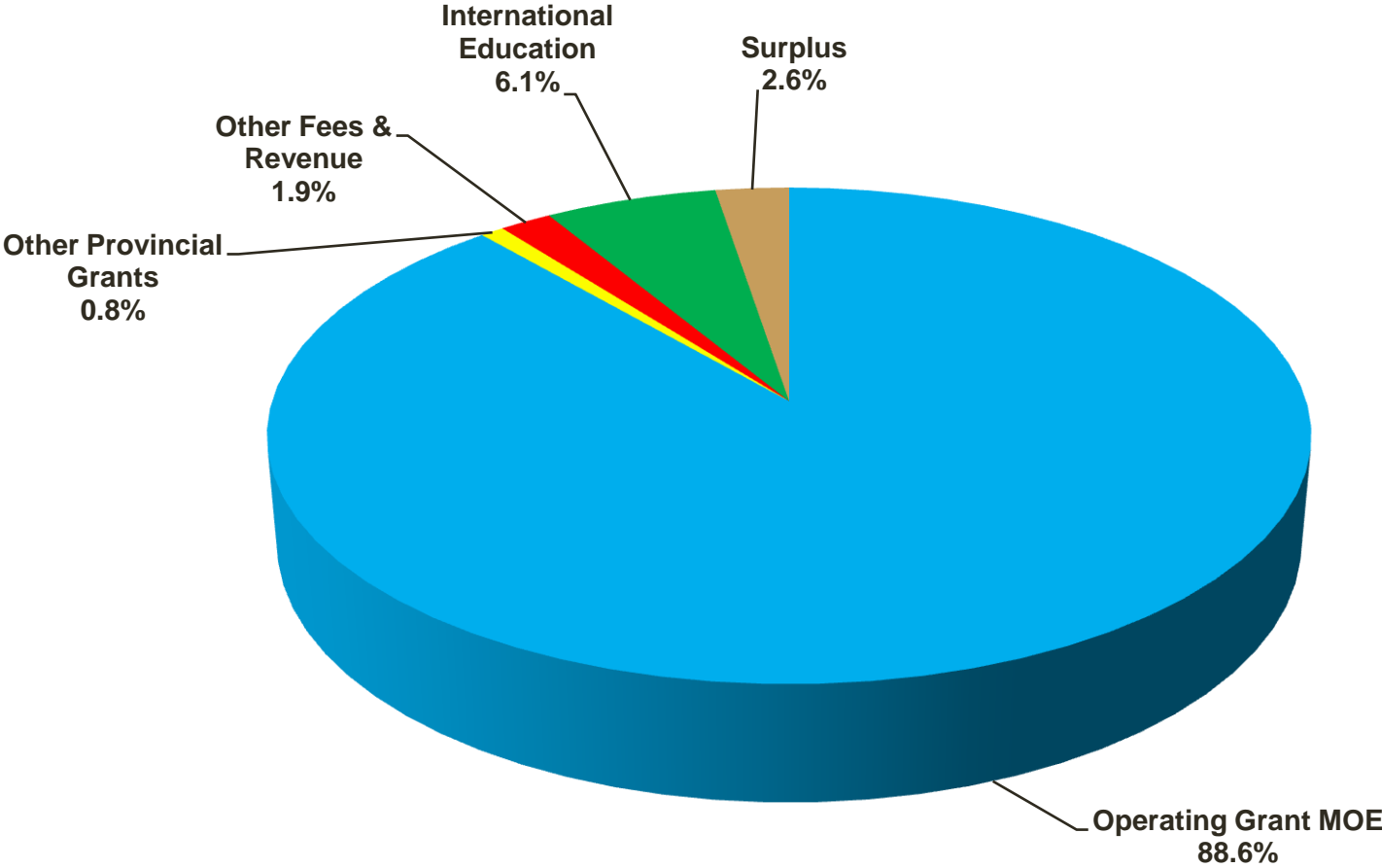
- **Background Budget Information**
 - Sources of Revenue
 - Provincial Funding
 - Budget Highlights
- **2014/2015 Operating Budget and Projected Three Year Budgets**
 - Budget Timelines
 - Budget Assumptions
 - 2014/2015 Status Quo Operating Budget
 - Three Year Projected Operating Budget and Fund Balances
 - Potential Budget Adjustments
 - Other Budgeted Programs

Sources of Revenue for School Boards

- The majority of school district grants come from provincial grants through the Ministry of Education's funding allocation system.
- Burnaby School District has local revenues from international student fees, rental of facilities, investment income, continuing education, etc.



Burnaby School District's Budgeted Sources of Revenue

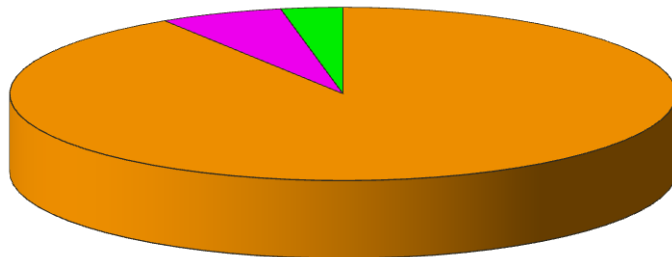


Source: 2013/14 Amended Operating budget

School District Sources of Revenue



Burnaby

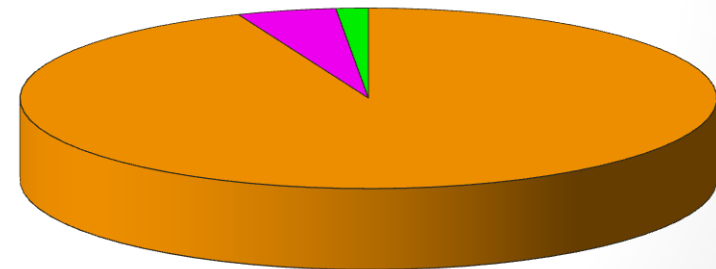
	Provincial Grants	89.4%
	Miscellaneous Revenue	8.0%
	Operating Surplus	2.6%



Source: Ministry of Education Table 11 2013/14 Amended Annual Budgeted Sources of Operating Revenue

Provincial Average

	Provincial Grants	91.5%
	Miscellaneous Revenue	5.9%
	Operating Surplus	2.6%



Source: Ministry of Education Table 11 2013/14 Amended Annual Budgeted Sources of Operating Revenue

Provincial Funding

- Ministry of Education establishes an annual budget for all of their responsibilities
- Part of their budget is for provincial operating grants to public schools
- Burnaby receives \$193 million in operating grants or approximately 4% of the total provincial operating grants

School Year	Operating Grants (\$ Billion)	Lift from Previous Year
2013/2014	\$4.725	\$0
2014/2015	\$4.725	\$0
2015/2016	\$4.725	\$0
2016/2017	\$4.725	\$0



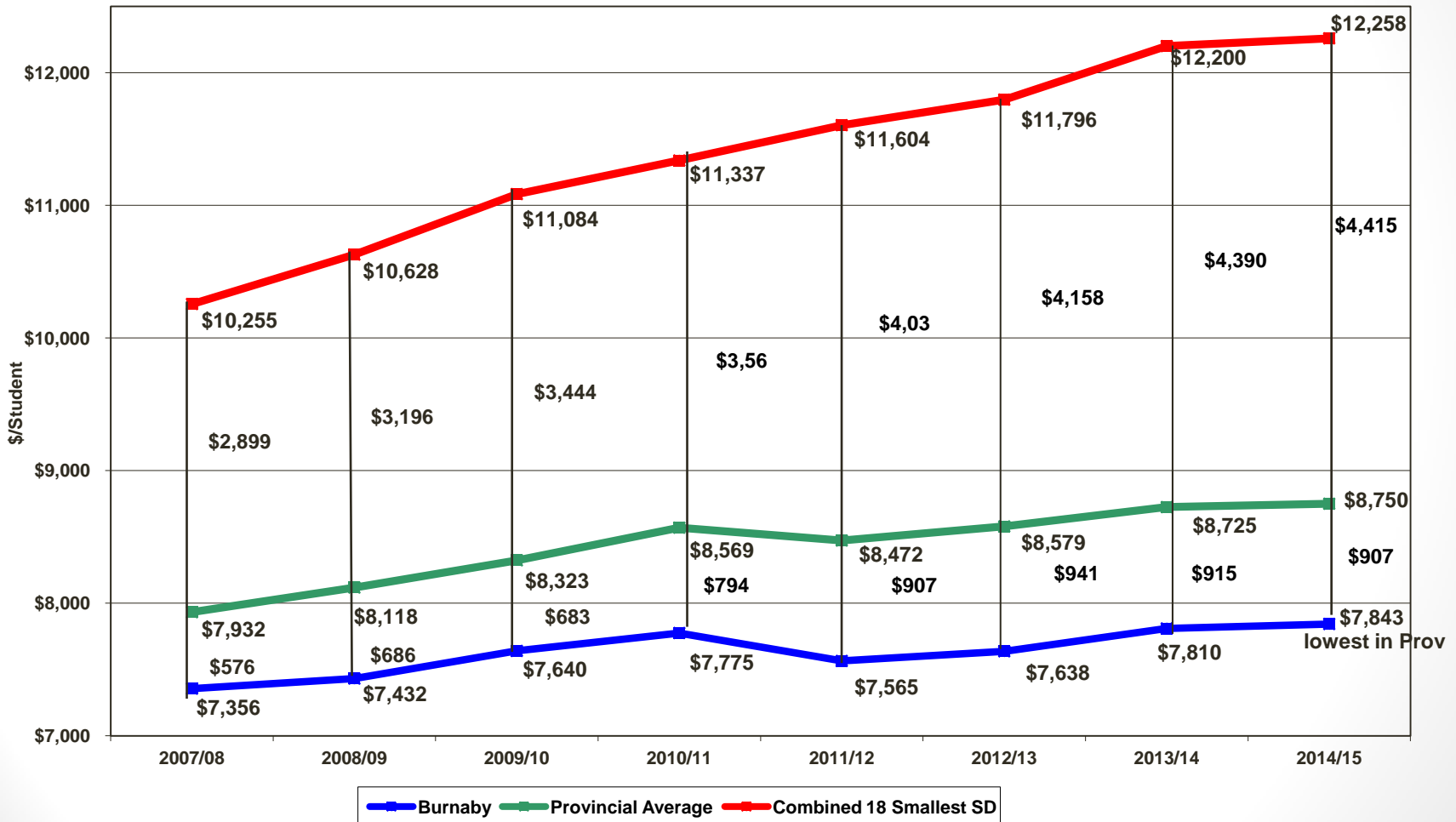
Allocation of Provincial Operating Grant

The funding system provides for:

- Student base allocation of \$6,900 per school-age FTE regular, continuing education and alternate school student
- Student base allocation of \$5,851 per school-age FTE Distributed Learning student
- Student base allocation of \$4,430 per Adult FTE student
- Unique student needs: ELL (\$1,340), aboriginal education (\$1,160), special education Level 1 (\$36,600), Level 2 (\$18,300), Level 3 (\$9,200)
- Supplement for Vulnerable Students
- Teacher salary differential between districts
- Unique geographic factors
- Summer Learning
- Supplement for the BC Education Plan
- Enrolment Decline and Funding Protection



Per Student Funding



Source: Ministry of Education Factsheet
Preliminary Funding Announcements

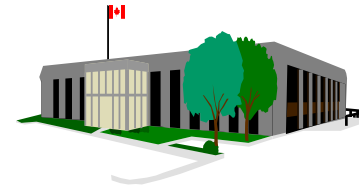
School District Operating Spending

- School Districts allocate their spending between 4 key functional areas:

- Instruction



- Operating and Maintaining buildings



- District Administration







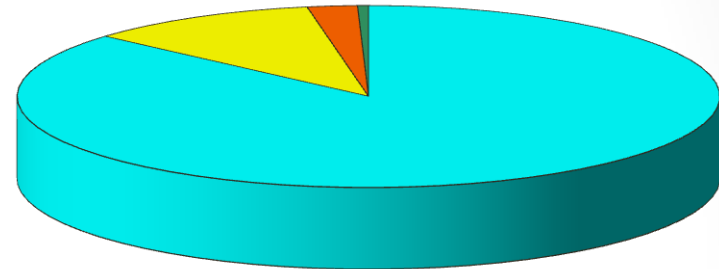
- Transportation



School District Operating Spending





Burnaby

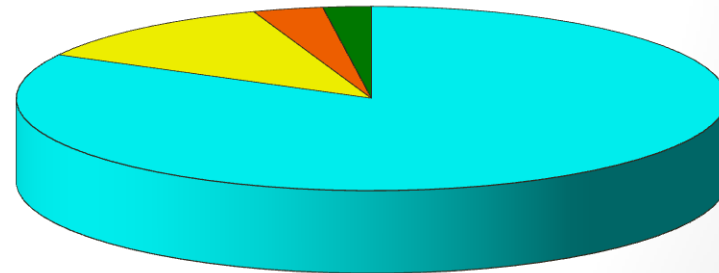
 Instruction	87.0%
 Operations & Maintenance	10.2%
 District Administration	2.4%
 Transportation	0.4%



Source: Ministry of Education Table 4 2013/14 Annual Budgeted Operating Expenditures by Function

Provincial Average

 Instruction	83.3%
 Operations & Maintenance	11.4%
 District Administration	3.3%
 Transportation	2.0%



Source: Ministry of Education Table 4 2013/14 Annual Budget Operating Expenditures by Function

School District Operating Spending

Burnaby

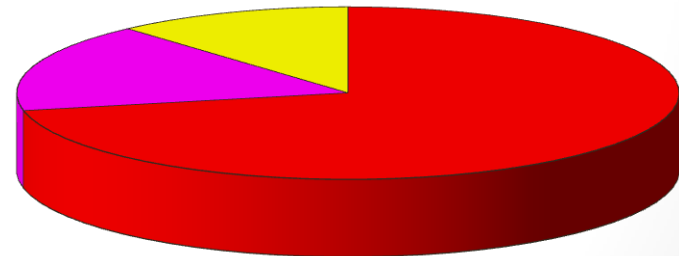
■ Salaries	72.8%
■ Employee Benefits	17.3%
■ Supplies & Services	9.9%



Source: Ministry of Education Table 5 2013/14 Annual Budgeted Operating Expenditures by Object

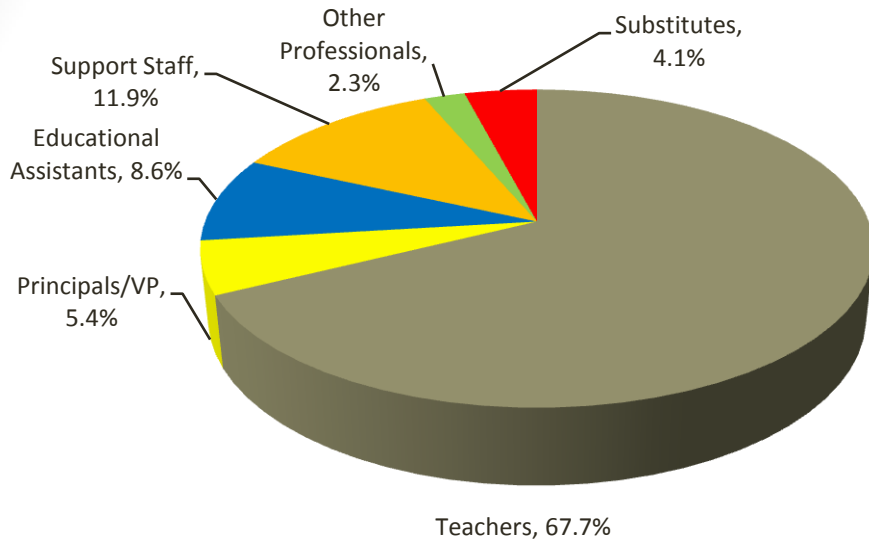
Provincial Average

■ Salaries	70.8%
■ Employee Benefits	17.9%
■ Supplies & Services	11.3%

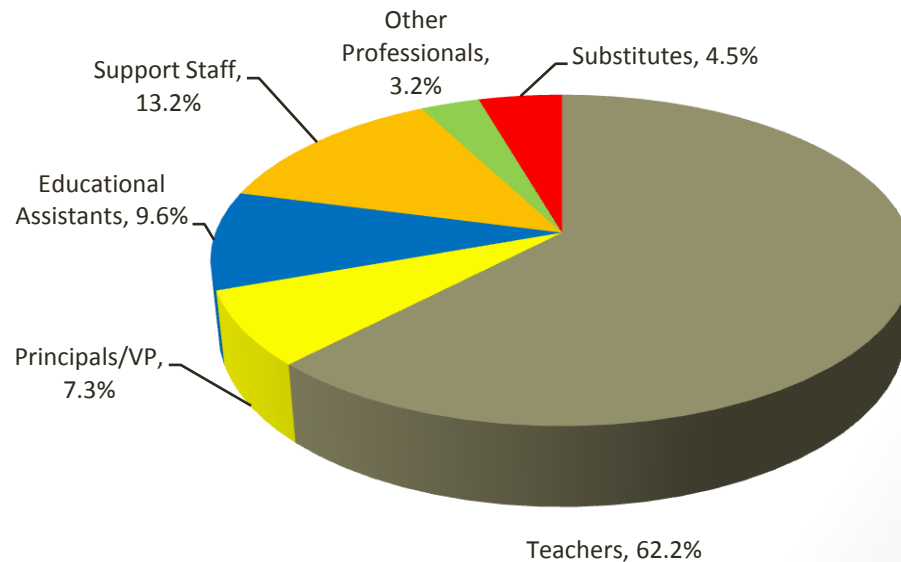


Source: Ministry of Education Table 5 2013/14 Annual Budgeted Operating Expenditures by Object

School District Budgeted \$ by Employees



Burnaby



Province

Burnaby Board of Education

2014/2015 Operating Budget and Projected Three Year Operating Budget



Key Budget Timelines

February 18

- Provincial Government Budget announcement

February 25

- Board approval of 2013/2014 amended annual operating budget

March 14

- Ministry announcement of 2014/2015 preliminary operating grant

April 9

- Public Budget Meeting

April 22

- Board approval of Annual 2014/2015 Budget

April 30

- Submission of Annual Budget

Preliminary 2014/2015 Operating Grant Highlights

- No change in Base allocation per pupil \$6,900
- No change in Unique Student needs funding levels
- No change in Vulnerable Students supplement and the BC Education Plan funding
- Provincial holdback \$61.1 million (\$59.6 million in 2013/2014)
- PLNet upgrade capital costs estimated at \$7.1 million provincially to be funded from AFG which will be temporarily increased to cover this. Burnaby's net AFG grant unchanged at \$4.3 million
- CommunityLINK funding unchanged at \$2.2 million
- Learning Improvement Funding increased by \$612,092 to \$3,060,458

2014/2015 Preliminary Budget Issues/Assumptions

- Based on District's projected student enrolment for 2014/15
- Maintain current service levels and programs
- Teacher salary increments \$750K, Maternity leaves 260K
- Additional 6 FTE EA's budgeted for enrolment increase \$230K
- Cooperative Gains Mandate savings plan adjustments of \$1.6 million included
- Annualized cost of CUPE wage lift \$620K
- Employee Benefits Inflation – CPP 2%, EI 3%, TPP 0%, MPP 7.6%, WCB 2%, MSP 2%, EHB 5%, Dental 3%, EAP 2%, Life Ins 0%
- Inflation 0% on Services & Supplies
- Utilities - Electricity 8%, Gas 15%, Water/Sewer 5.5%, Recycling/Garbage 5%
- Projected \$3 Million operating surplus carry forward included

Enrolment

	2013/2014	2014/2015	2015/2016	2016/2017
	Total	Total	Total	Total
	(FTE)	(FTE)	(FTE)	(FTE)
Elementary	13,215.0	13,318.0	13,358.0	13,526.0
Secondary	9,897.3	9,795.0	9,718.0	9,547.0
Continuing Ed - School Age	52.0	53.0	53.0	53.0
	23,164.3	23,166.0	23,129.0	23,126.0
Distributed Learning	226.9	250.0	270.0	280.0
Total - School Age	23,391.1	23,416.0	23,399.0	23,406.0
ELL	4,569.0	4,542.0	4,590.0	4,708.0
Aboriginal Education	709.0	728.0	732.0	733.0
Special Ed - Level 1	31.0	29.0	25.0	22.0
Special Ed - Level 2	679.0	714.0	751.0	754.0
Special Ed - Level 3	130.0	115.0	91.0	78.0
Adults	450.7	438.0	438.0	438.0
Total - Unique Student Needs	6,568.7	6,566.0	6,627.0	6,733.0
Total - Summer Learning	933.3	933.3	933.3	933.3
International Education	920.0	930.0	950.0	970.0

Operating Grant – 2014/2015

	2014/2015 Preliminary	2013/2014 Amended	Change
Student Base Allocation	\$ 161,298,399	\$ 161,160,773	\$ 137,626
School in the Summer / Other	2,151,084	2,151,084	-
Total Enrolment-Based Funding	163,449,483	163,311,857	137,626
ELL	6,086,280	6,122,460	(36,180)
Aboriginal Education	844,480	822,440	22,040
Special Ed - Level 1	1,061,400	1,134,600	(73,200)
Special Ed - Level 2	13,066,200	12,425,700	640,500
Special Ed - Level 3	1,058,000	1,196,000	(138,000)
Special Ed - Audit Adjustment	-	(80,000)	80,000
Adult Education	522,740	525,510	(2,770)
Vulnerable Students	429,145	429,145	-
Total Unique Student Needs	23,068,245	22,575,855	492,390
Salary Differential	3,756,977	3,754,284	2,693
Unique Geographic Factors	1,161,140	1,144,035	17,105
Supplement for Education Plan	466,083	469,710	(3,627)
Holdback Allocation	1,000,000	1,398,248	(398,248)
Totals	\$ 192,901,928	\$ 192,653,989	\$ 247,939

Other Provincial Grants

	2014/2015	2013/2014	
	Preliminary	Amended	Difference
<u>Other Ministry of Education Grants</u>			
Pay Equity	1,441,995	1,441,995	-
Education Guarantee - Graduated Adult	1,417,600	1,470,760	(53,160)
Misc. One-Time Grants	28,988	56,031	(27,043)
	2,888,583	2,968,786	(80,203)
<u>Other Provincial / Federal Grants</u>			
English Language Services for Adults <small>note</small>	-	1,630,136	(1,630,136)
ICT Grants	202,750	202,750	-
Other Federal Grants	20,980	20,980	-
	223,730	1,853,866	(1,630,136)
note: ELSA contract part of CIC Federal contract to be included in Special Purpose Fund			

Other Fees and Revenue

	2014/2015	2013/2014	
	Preliminary	Amended	Difference
International Education	14,333,083	13,483,083	850,000
Continuing Education	1,248,600	1,248,600	-
Summer Session	348,478	348,478	-
City of Burnaby	205,000	205,000	-
BC Hydro / Fortis BC Energy Grants	110,000	110,000	-
Teacher EHB Plan Grant	163,876	163,876	-
ACE-IT / ICT Revenues	91,700	91,700	-
Miscellaneous	67,000	67,000	-
Total Other Fees & Revenue	16,567,737	15,717,737	850,000

Services and Supplies

	2014/2015	2013/2014	
	Preliminary	Amended	Difference
Services	7,827,870	8,756,659	(928,789)
Supplies	7,145,370	8,121,820	(976,450)
Utilities	3,425,306	3,251,943	173,363
Professional Development and Travel	927,739	945,839	(18,100)
Student Transportation	697,779	747,779	(50,000)
Rentals and Leases	492,632	492,632	-
Insurance	473,716	473,716	-
Dues and Fees	75,000	75,000	-
Total Services and Supplies	21,065,412	22,865,388	(1,799,976)

Status Quo Operating Budget

	2014/2015 Preliminary	2013/2014 Amended	Difference
Revenue:			
Operating Grant - Ministry of Ed	192,901,928	192,653,989	247,939
Other Ministry of Ed Grants	2,888,583	2,968,786	(80,203)
Other Provincial / Federal Grants	223,730	1,853,866	(1,630,136)
Other Fees & Revenue	16,567,737	15,717,737	850,000
Rentals & Leases	1,105,000	1,055,000	50,000
Investment Income	800,000	800,000	-
Total Revenue	214,486,978	215,049,378	(562,400)
Salaries:			
Teachers	108,311,007	107,912,618	398,389
Support Staff	33,347,995	32,687,563	660,432
Principals & Vice-Principals	8,541,708	8,541,708	-
Other Professionals	3,677,102	3,711,674	(34,572)
Substitutes	6,316,821	6,497,122	(180,301)
Total Salaries	160,194,633	159,350,685	843,948
Benefits	38,566,242	37,834,387	731,855
Services & Supplies	21,065,412	22,865,388	(1,799,976)
Total Expenses	219,826,287	220,050,460	(224,173)
Operating (Shortfall)	(5,339,309)	(5,001,082)	(338,227)
Local Capital	(742,000)	(742,000)	-
Net Operating Budget (Shortfall)	(6,081,309)	(5,743,082)	(338,227)

Three Year Budget

(Preliminary April 2014)

	2014/2015	2015/2016	2016/2017
Revenue			
Ministry Operating Grant	192,901,928	193,136,088	193,158,678
Other Ministry Grants	2,888,583	2,888,583	2,888,583
Other Provincial / Federal Grants	223,730	223,730	223,730
Other Fees and Revenue	18,472,737	18,857,737	19,217,737
Total Revenue	214,486,978	215,106,138	215,488,728
Expenses:			
Salaries	160,194,633	161,131,384	162,179,645
Benefits	38,566,242	39,176,100	39,815,663
Services and Supplies	21,065,412	21,433,601	21,785,321
Total Expenses	219,826,287	221,741,085	223,780,629
Local Capital	(742,000)	(742,000)	(742,000)
Net Surplus (Shortfall)	(6,081,309)	(7,376,947)	(9,033,901)

Three Year Fund Balance

(Preliminary April 2014)

	2014/2015	2015/2016	2016/2017
Projected Fund Balance Beginning of Year	2,963,668	-	-
Current Year Surplus (Shortfall)	(6,081,309)	(7,376,947)	(9,033,901)
Total Funds Available	(3,117,641)	(7,376,947)	(9,033,901)
Proposed Budget Adjustments - 2014/15	(3,117,641)	(3,117,641)	(3,117,641)
Proposed Budget Adjustments - 2015/16		(4,259,306)	(4,259,306)
Proposed Budget Adjustments - 2016/17			(1,656,954)
Projected Fund Balance End of Year	-	-	-

Cooperative Gains Mandate Adjustments

(Previously Approved)

Description	FTE	Value
Funding for Extended Health Benefits	-	\$ 164,000
Transportation Efficiencies	-	50,000
Energy Management	-	150,000
Staff Overtime	-	50,000
Facility Rental Revenues	-	50,000
General Reduction in Supplies and Services - Operating	-	141,000
General Reduction in Supplies and Services - Special Purpose	-	53,514
Secondary International Student Education Staffing Allocation	2.0	175,000
Student Supervisors - Secondary	0.5	25,000
Clerical Pool Hours	-	50,000
Wage Recoveries and Casual Replacement	-	100,000
Attendance Support	-	150,000
District Learning Resource Centre Restructuring	3.0	150,000
Trades Reduction	1.0	69,000
Continuing Education Administration Restructuring	1.0	58,000
Staffing Adjustments - Special Purpose Fund Programs	1.9	141,000
Total Cooperative Gains Mandate Adjustments	9.4	\$ 1,576,514

Potential Budget Adjustments

Description	FTE	Amount
Secondary School Class Size Increase	16.0	\$ 1,472,000
Elementary Non Enrolling Teachers	8.8	805,000
Secondary Non Enrolling Teachers	1.0	92,000
District Staff Development	1.0	92,000
Aboriginal Ed	1.8	166,000
District Learning Support Services	0.8	77,000
Secondary School Administration	2.0	218,000
Elementary School Administration	1.0	110,000
Daytime Custodians	8.0	650,000
Secondary Clerical	1.5	75,000
Adult and Continuing Education	-	300,000
International Student Education	-	30,000
District Transportation - VPA	-	25,000
District Learning Resources	-	50,000
Shared Services	-	50,000
Year End Surplus Balances	-	175,000
Total Reductions	41.9	\$ 4,387,000
Reduction Target		3,117,641
Surplus (Shortfall)		\$ 1,269,359

Other Budgeted Programs

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

- **Special Purpose Fund budget will include the following programs:**
 - School Generated Funds
 - Annual Facility Grant
 - Learning Improvement Fund
 - Provincial Resource Programs – Fraser Park / Maples
 - Provincial Resource Programs – BC Provincial School for the Deaf / Oral Program
 - CommunityLINK, Children, Youth and Family Programs
 - Refugee and Settlement Services Programs
 - District Scholarship fund

- **Capital Fund budget will include the following:**
 - Net budget changes to Invested in Capital Assets
 - Net budget changes to Local Capital

Special Purpose Fund Programs

- Provincial Resource Programs \$8.4 million
- CommunityLINK Programs \$3.7 million
- LINC Adult Language Training \$2.2 million
- Early Learning Programs \$535K
- Youth Services Programs \$503K
- Settlement Services \$1 million
- Learning Improvement Fund \$3 million
- Annual Facilities Grant \$650K (\$3.6 million in Capital Fund)
- School Generated Funds \$6.7 million
- Other misc programs \$322K

THANK YOU