

Burnaby Board of Education Public Budget Presentation

April 6, 2016



Agenda

- **Background Budget Information**

- Sources of Revenue
- Provincial Funding
- Budget Highlights



- **2016/2017 Operating Budget & Projected Three Year Budgets**

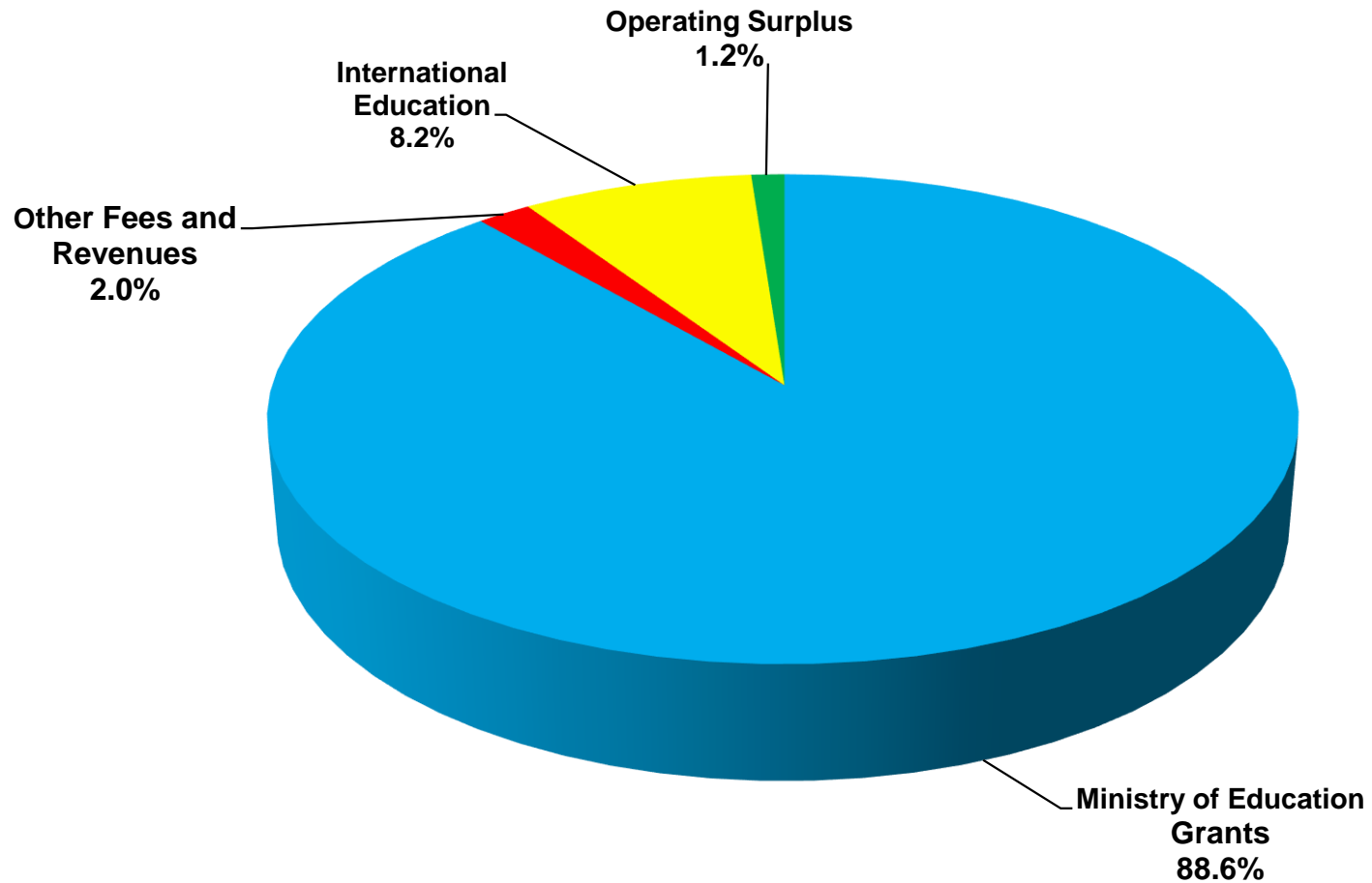
- Budget Timelines
- Budget Assumptions
- 2016/2017 Status Quo Operating Budget
- Three Year Projected Operating Budget and Fund Balances
- Potential Budget Issues
- Other Budgeted Programs

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

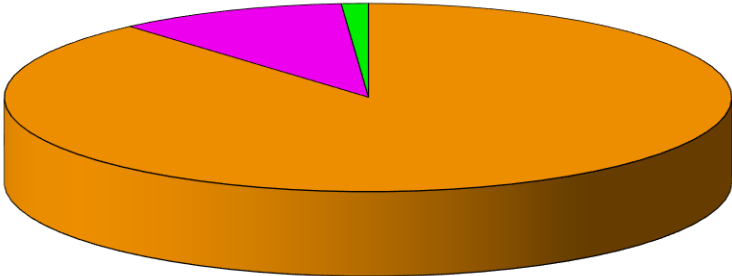


Source: 2015/16 Amended Operating budget

School District Sources of Revenue

Burnaby

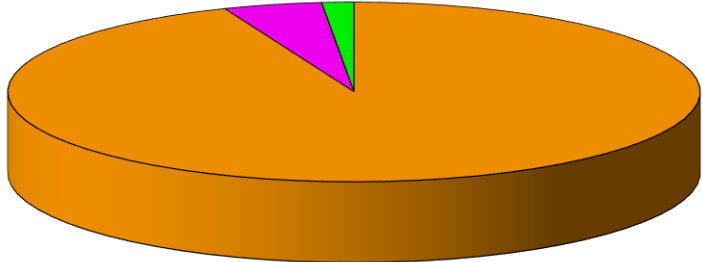
	Provincial Grants	88.6%
	Other Revenue	10.2%
	Operating Surplus	1.2%



Source: 2015/16 Amended Annual Budget

Provincial Average

	Provincial Grants	91.7%
	Other Revenue	5.7%
	Operating Surplus	2.6%



Source: Ministry of Education Table 11 2015/16 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 \$200 million in operating grants or approximately 4% of the total provincial operating grants

School Year	Operating Grants (\$ Billion)	Lift from Previous Year
2015/2016	\$4.834	\$15 million
2016/2017	\$4.877	\$43 million
2017/2018	\$4.915	\$38 million
2018/2019	\$4.980	\$65 million



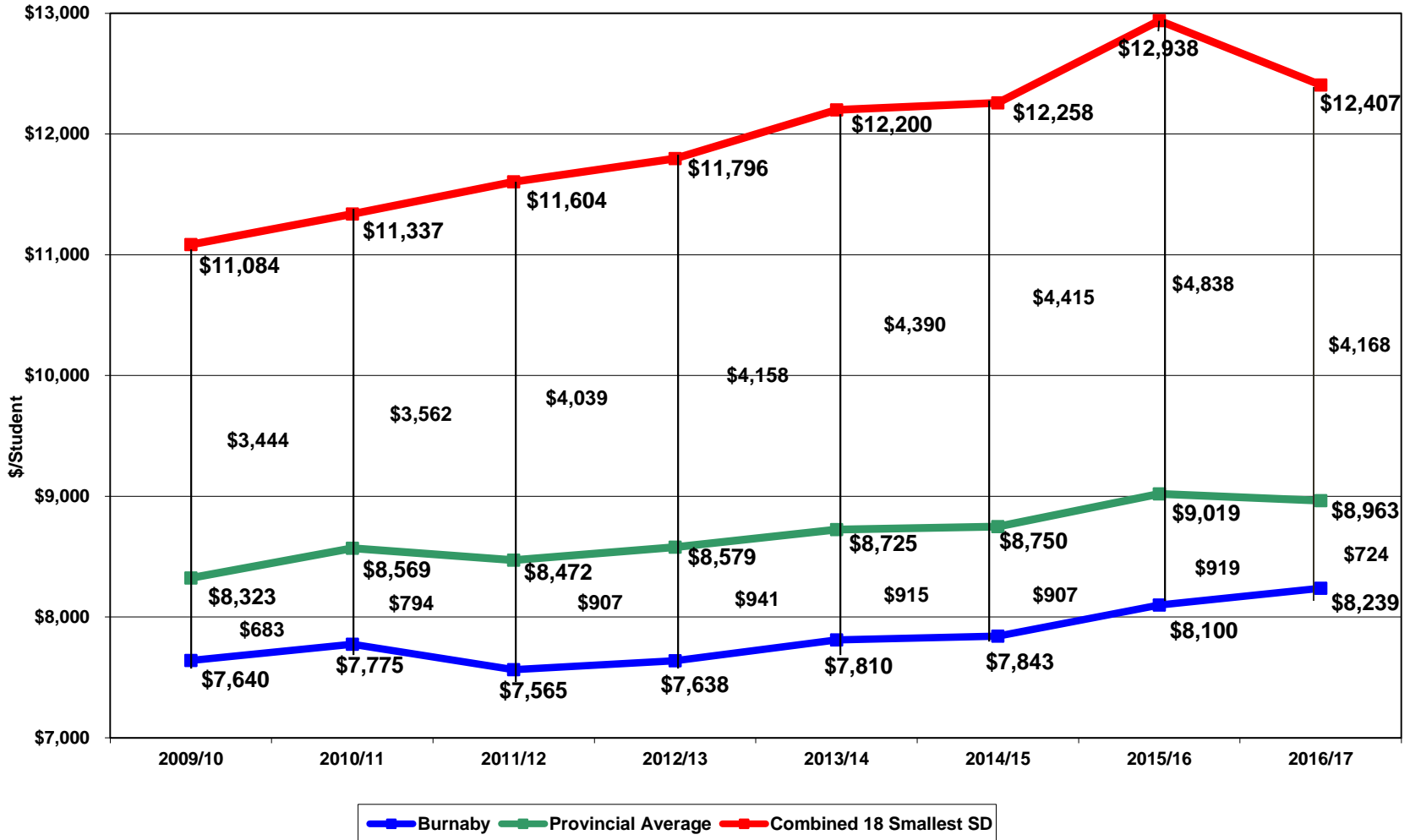
Allocation of Provincial Operating Grant

The funding system provides for:

- Student base allocation of \$7,218 per school-age FTE regular, continuing education and alternate school student
- Student base allocation of \$6,030 per school-age FTE Distributed Learning student
- Student base allocation of \$4,565 per Adult FTE student
- Unique student needs: ELL (\$1,380), aboriginal education (\$1,195), special education Level 1 (\$37,700), Level 2 (\$18,850), Level 3 (\$9,500)
- 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: Preliminary Funding Announcement

School District Operating Spending

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

- Instruction



- Operating and Maintaining Buildings



- District Administration







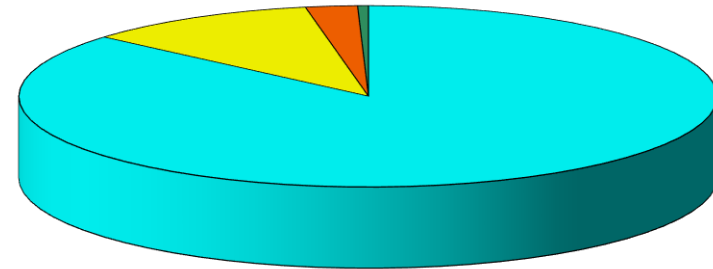
- Transportation



School District Operating Spending





Burnaby

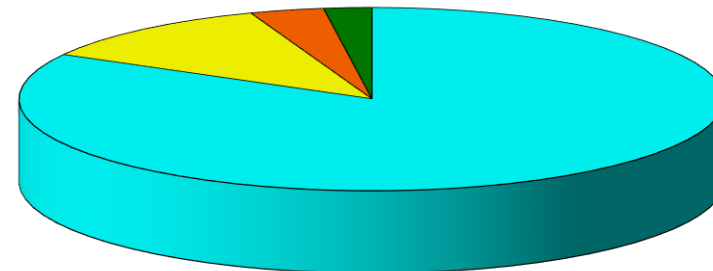
	Instruction	86.5%
	Operations & Maintenance	10.8%
	District Administration	2.4%
	Transportation	0.3%



Source: Ministry of Education Table 13 2015/16 Amended Annual Budgeted Operating Expenditures by Function

Provincial Average

	Instruction	83.3%
	Operations & Maintenance	11.4%
	District Administration	3.4%
	Transportation	1.9%

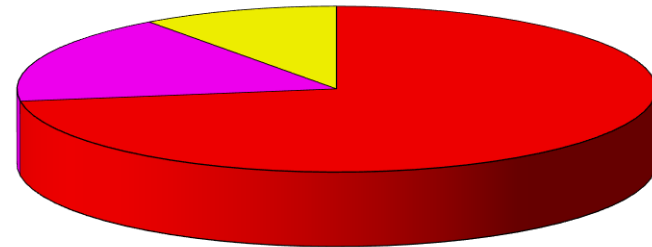


Source: Ministry of Education Table13 2015/16 Amended Annual Budget Operating Expenditures by Function

School District Operating Spending

Burnaby

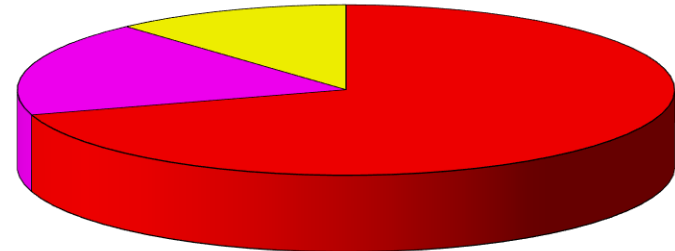
■ Salaries	72.7%
■ Employee Benefits	17.4%
■ Supplies & Services	9.9%



Source: Ministry of Education Table 14 2015/16 Amended Annual Budgeted Operating Expenditures by Object

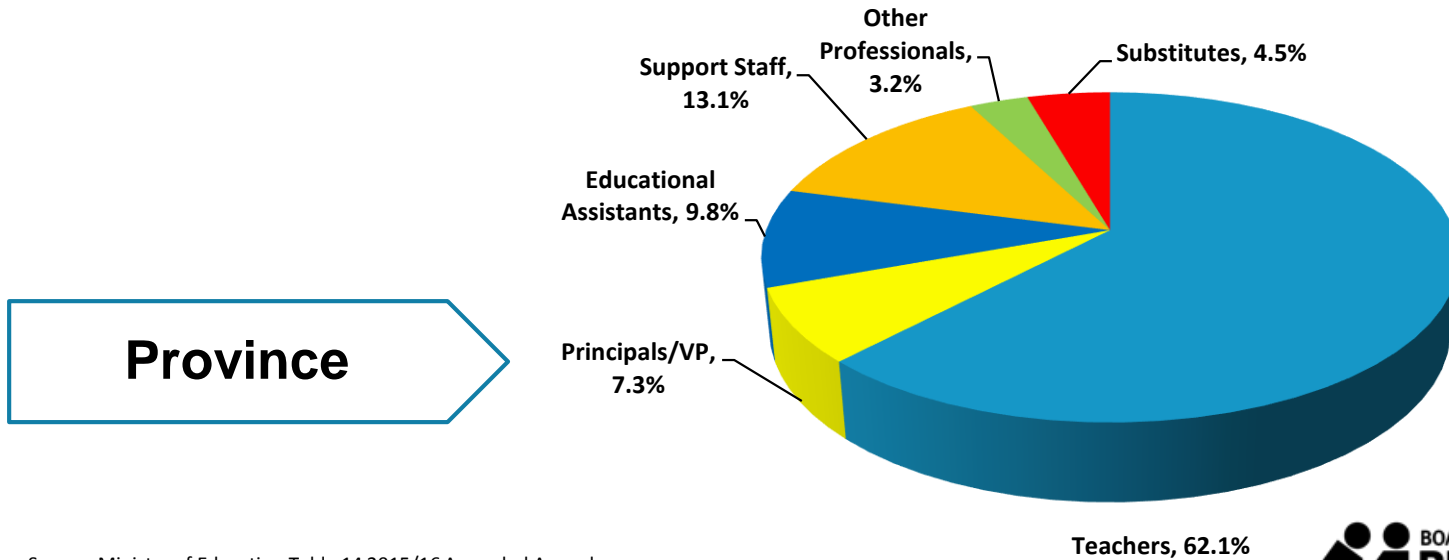
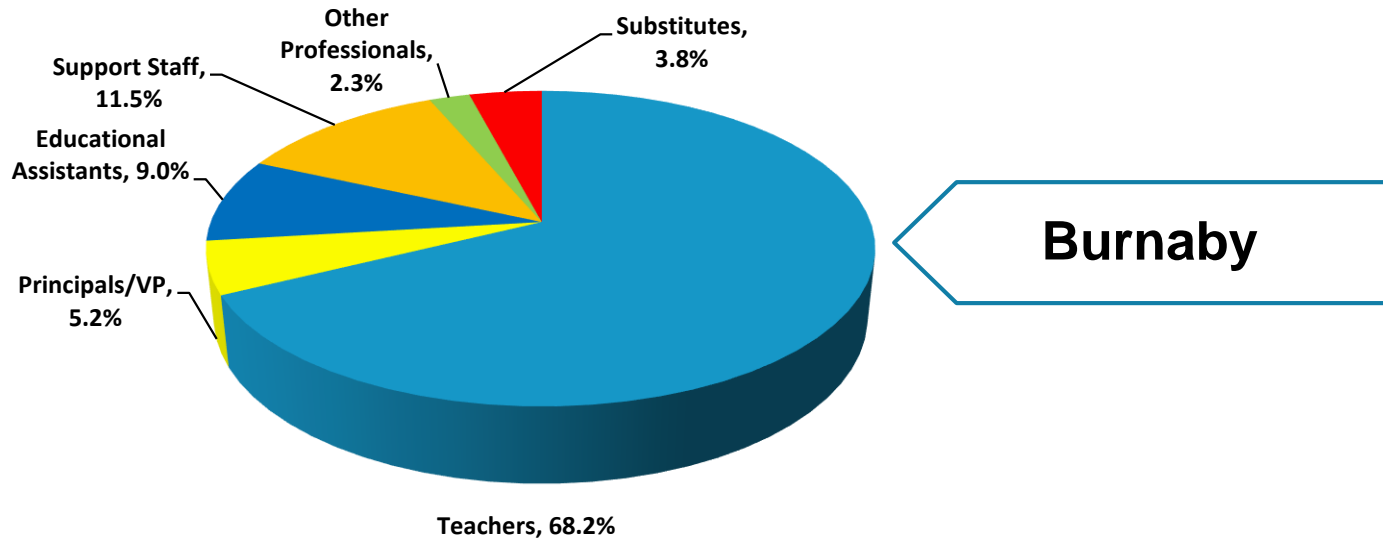
Provincial Average

■ Salaries	69.8%
■ Employee Benefits	18.0%
■ Supplies & Services	12.2%



Source: Ministry of Education Table 14 2015/16 Amended Annual Budgeted Operating Expenditures by Object

School District Budgeted \$ by Employees



Source: Ministry of Education Table 14 2015/16 Amended Annual Budgeted Operating Expenditures by Object

Burnaby Board of Education

2016/2017 Operating Budget and Projected Three Year Operating Budget



Key Budget Timelines

February 16

- Provincial Budget announcement

February 22

- Board approval of 2015/2016 amended annual budget

March 15

- Ministry announcement of 2016/2017 preliminary operating grant

April 4

- Ministry announcement of additional 2016/2017 preliminary operating grant allocation

April 6

- Public Budget Meeting

April 25

- Board Approval of 2016/2017 Annual Budget

April 29

- Submission of 2016/2017 Annual Budget

Enrolment

	2015/2016	Projected 2016/2017	Variance 2016/2017	Projected 2017/2018	Projected 2018/2019
	(FTE)	(FTE)	(FTE)	(FTE)	(FTE)
Elementary	13,217	13,328	111	13,566	13,622
Secondary	9,778	9,736	(42)	9,647	9,617
	22,995	23,064	69	23,213	23,239
Distributed Learning	274	275	1	285	290
Total - School Age	23,269	23,339	70	23,498	23,529
ELL	4,496	4,522	26	4,556	4,558
Aboriginal Education	690	681	(9)	680	671
Special Ed - Level 1	24	19	(5)	21	21
Special Ed - Level 2	770	788	18	862	890
Special Ed - Level 3	125	114	(11)	114	107
Adults	240	195	(45)	195	195
Total - Unique Student Needs	6,345	6,319	(26)	6,428	6,442
Total - Summer Learning	7,225	7,225	-	7,225	7,225
International Education	1,201	1,250	49	1,300	1,350

2016/2017 Budget Assumptions

- Based on District's projected student enrolment for 2016/2017
- Maintain current service levels and programs
- Increase in International Education program fees and enrolment \$2 million
- Teacher salary increments \$700K
- Labour Settlement funding includes teacher and support staff wage increases \$2.5 million
- No funding for Exempt Staff salary increases
- Benefits – CPP 3%, EI 2%, TPP (13%), MPP 4%, WCB 2%, MSP 4%, EHB 10%, Dental 3%, EAP 0%, Life Ins 0%
- Teacher Pension Plan rate reduction savings \$2.3 million
- Inflation 2% on Services & Supplies
- Utilities - Electricity 4%, Gas 4%, Water/Sewer 2%, Recycling/Garbage 5%

Ministry of Education

2016/2017 Operating Grant Highlights

- Reflects both the March 15th and April 4th funding announcements
- Student base allocation increased from \$7,158 to \$7,218
- Labour Settlement funding \$62 million; and Administrative Savings Recovery (\$54 million); Burnaby (\$2.2 million)
- NGN service costs \$24 million; Burnaby (\$1.1 million)
- Supplemental Funding continued for Education Plan \$463,742 and Vulnerable Students \$429,145
- No Provincial holdback but additional enrolment growth to be funded
- CommunityLINK funding (\$2.2 million), Learning Improvement Fund (\$4.1 million) and AFG funding (\$4.5 million) unchanged from 2015/2016

Administrative Savings

- School Districts will have flexibility in developing their savings plans
- Savings are to be confined to non-instructional budgets and cannot impact the classroom
- Savings must be ongoing and sustainable
- Administrative Savings may go beyond items classified in the following programs for financial statement purposes:
 - School-Based Administration
 - Facilities Administration
 - District Administration
 - Increased Other Revenues
- Details of savings plan are to be reported in Ministry provided template
- Ongoing quarterly reporting on status of savings

Operating Grant – 2016/2017

	2016/2017	2015/2016	Change
Student Base Allocation (Note 1)	\$ 168,079,857	\$ 166,319,966	\$ 1,759,891
School in the Summer / Other	2,111,622	2,111,622	-
Total Enrolment-Based Funding	170,191,479	168,431,588	1,759,891
ELL	6,240,360	6,219,660	20,700
Aboriginal Education	813,795	824,550	(10,755)
Special Ed - Level 1	716,300	904,800	(188,500)
Special Ed - Level 2	14,853,800	14,514,500	339,300
Special Ed - Level 3	1,083,000	1,187,500	(104,500)
Adult Education	260,205	318,410	(58,205)
Vulnerable Students	429,145	429,145	-
Total Unique Student Needs	\$ 24,396,605	\$ 24,398,565	\$ (1,960)
Salary Differential	4,628,746	4,626,523	2,223
Unique Geographic Factors	1,273,659	1,194,814	78,845
Supplement for Education Plan	463,742	462,217	1,525
	\$ 200,954,231	\$ 199,113,707	\$ 1,840,524
Administrative Savings Recovery (Note 2)	(1,027,783)	(1,189,041)	161,258
Totals	\$ 199,926,448	\$ 197,924,666	\$ 2,001,782

Note 1: Student base allocation includes additional \$52/FTE announced April 4, 2016

Note 2: 2015/2016 Administrative Savings Recovery included in 2016/2017 Student Base Allocation

Other Provincial Grants

	2016/2017	2015/2016	Difference
Pay Equity	\$ 1,441,995	\$ 1,441,995	\$ -
Education Guarantee - Graduated Adult	629,970	776,050	(146,080)
ACE-IT / Industry Career Training Grants	188,000	188,000	-
Carbon Tax Grant	135,000	135,000	-
Teacher Benefit Funding	163,876	163,876	-
Economic Stability Dividend Funding (Note 1)	-	156,000	(156,000)
Misc. One-Time Grants	71,338	71,338	-
Total Other Grants	\$ 2,630,179	\$ 2,932,259	\$ (302,080)
Note 1: 2016/2017 Economic Stability Dividend funding included in Operating Grant - Student Base Allocation			
Note 2: Additional Supplement allocated to School Districts (Burnaby \$569,248) included in Operating Grant for comparative purposes			

Other Fees and Revenue

	2016/2017	2015/2016	Difference
International Education	\$ 20,677,218	\$ 18,677,218	\$ 2,000,000
Continuing Education	1,463,200	1,383,200	80,000
Rental Revenues	1,187,000	1,187,000	-
Investment Income	800,000	850,000	(50,000)
Summer Session	348,478	348,478	-
City of Burnaby - Crossing Guards	205,000	205,000	-
BC Hydro / Fortis Energy Grants	50,000	85,000	(35,000)
ACE-IT / ICT Revenues	83,000	83,000	-
Miscellaneous	81,705	81,705	-
Total Other Fees & Revenue	\$ 24,895,601	\$ 22,900,601	\$ 1,995,000

Services and Supplies

	2016/2017	2015/2016	Difference
Services	\$ 10,104,262	\$ 9,484,785	\$ 619,477
Supplies	7,488,303	7,690,547	(202,244)
Utilities	3,203,610	2,985,410	218,200
Professional Development and Travel	921,832	903,757	18,075
Student Transportation	693,860	631,235	62,625
Insurance	466,762	457,610	9,152
Rentals and Leases	172,288	172,288	-
Dues and Fees	78,030	76,500	1,530
Total Services and Supplies	\$ 23,128,947	\$ 22,402,132	\$ 726,815

Status Quo Operating Budget

	2016/2017	2015/2016	Difference
Revenue:			
Operating Grant - Ministry of Ed	\$ 199,926,448	\$ 197,924,666	\$ 2,001,782
Other Provincial Grants	2,630,179	2,932,259	(302,080)
Other Fees & Revenue	24,895,601	22,900,601	1,995,000
Total Revenue	\$ 227,452,228	\$ 223,757,526	\$ 3,694,702
Salaries:			
Teachers	114,795,742	111,962,940	2,832,802
Support Staff	34,303,200	33,665,116	638,084
Principals & Vice-Principals	8,905,980	8,479,188	426,792
Other Professionals	3,968,047	3,710,357	257,690
Substitutes	6,306,788	6,193,107	113,681
Total Salaries	\$ 168,279,757	\$ 164,010,708	\$ 4,269,049
Benefits	38,767,982	39,276,654	(508,672)
Services & Supplies	23,128,947	22,402,132	726,815
Total Expenses	\$ 230,176,686	\$ 225,689,494	\$ 4,487,192
Local Capital	(742,000)	(742,000)	-
Net Shortfall	\$ (3,466,458)	\$ (2,673,968)	\$ (792,490)

Three Year Budget

	2016/2017	2017/2018	2018/2019
Revenue			
Ministry Operating Grant	\$ 199,926,448	\$ 203,822,420	\$ 205,764,543
Other Provincial Grants	2,630,179	2,630,179	2,630,179
Other Fees and Revenue	24,895,601	25,695,601	26,495,601
Total Revenue	\$ 227,452,228	\$ 232,148,200	\$ 234,890,323
Expenses:			
Salaries	\$ 168,279,757	\$ 171,609,996	\$ 173,998,921
Benefits	38,767,982	40,018,235	41,119,407
Services and Supplies	23,128,947	23,399,211	23,666,478
Total Expenses	\$ 230,176,686	\$ 235,027,442	\$ 238,784,806
Local Capital	(742,000)	(742,000)	(742,000)
Net Shortfall	\$ (3,466,458)	\$ (3,621,242)	\$ (4,636,483)

Three Year Fund Balance

	2016/2017	2017/2018	2018/2019
Unrestricted Fund Balance Beginning of Year	\$ 6,400,000	\$ 2,933,542	\$ -
Current Year Shortfall	(3,466,458)	(3,621,242)	(4,636,483)
Total Funds Available	\$ 2,933,542	\$ (687,700)	\$ (4,636,483)
Proposed Budget Adjustments - 2016/2017	-		
Proposed Budget Adjustments - 2017/2018		(687,700)	(687,700)
Proposed Budget Adjustments - 2018/2019			(3,948,783)
Fund Balance End of Year	\$ 2,933,542	\$ -	\$ -

Potential Budget Issues

- No reductions proposed
- Fund Balance of \$2.9 million Contingency Reserve:
 - Balancing 2017/2018 Budget
 - International Education reserve
 - Technology – Wireless Upgrade
 - Reading Recovery Teacher Leader 1.0 FTE
 - Redesigned Curriculum Implementation
- International Education – Program Coordinator 1.0 FTE Exempt
- Administrative savings can be achieved with existing reductions and increased other revenues

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 - \$6.5 million
 - Annual Facility Grant - \$1 million (\$3.5 million included in Capital Fund)
 - Learning Improvement Fund - \$4.1 million
 - Provincial Resource Programs - \$8.5 million
 - CommunityLINK, Children, Youth and Family Programs - \$4.7 million
 - Settlement Services Programs - \$2.8 million
 - District Scholarship fund - \$0.5 million
- **Capital Fund budget will include the following:**
 - Net budget changes to Invested in Capital Assets
 - Net budget changes to Local Capital

QUESTIONS?

THANK YOU
