

Burnaby Board of Education

Public Budget Presentation

April 3, 2013

Agenda

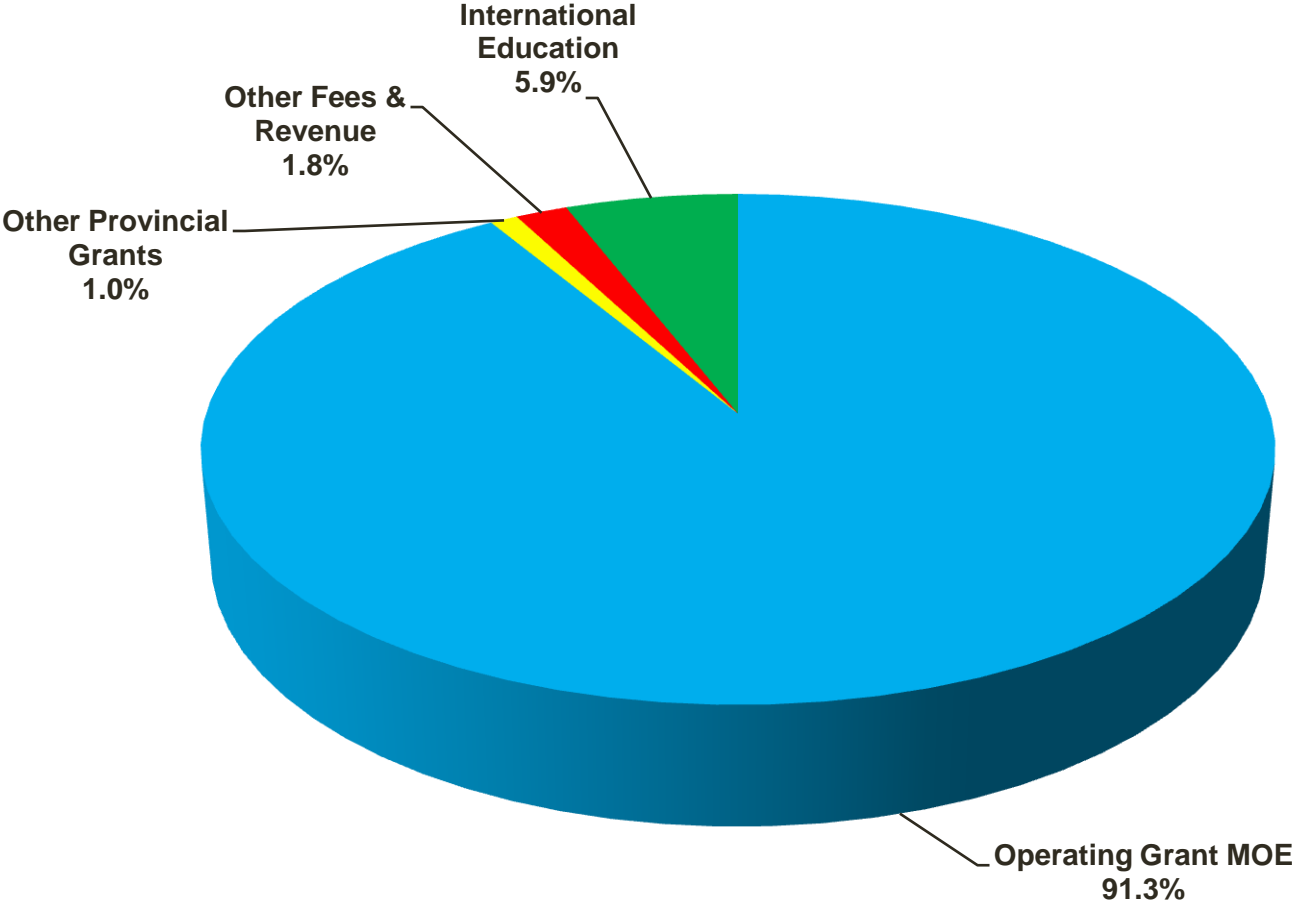
- **Background Budget Information**
 - Sources of Revenue
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 - Budget Highlights
- **2013/2014 Operating Budget and Projected Three Year Budgets**
 - Budget Timelines
 - Budget Assumptions
 - 2013/2014 Status Quo Operating Budget
 - Three Year Projected Operating Budget and Fund Balances
 - Potential Budget Adjustments
 - PSAB Budget Reporting Implications

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

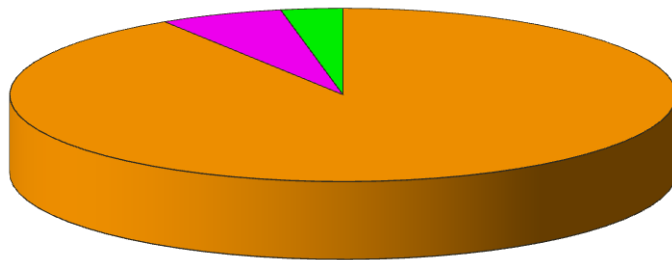


Source: 2012/13 Amended Operating budget

School District Sources of Revenue

Burnaby

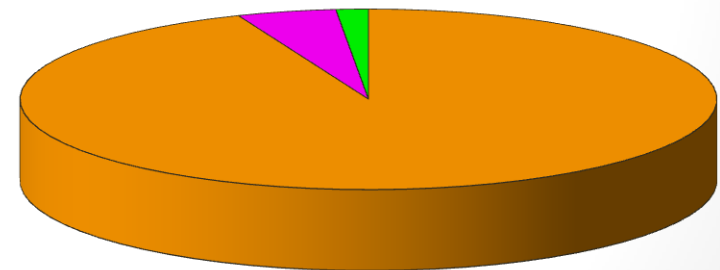
	Provincial Grants	90.5%
	Miscellaneous Revenue	7.6%
	Operating Surplus	1.9%



Source: Ministry of Education Table 2 2012/13 Annual Budgeted Sources of Operating Revenue

Provincial Average

	Provincial Grants	94.3%
	Miscellaneous Revenue	4.2%
	Operating Surplus	1.5%



Source: Ministry of Education Table 2 2012/13 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 \$191 million in operating grants or approximately 4% of the total provincial operating grants

School Year	Operating Grants (\$ Billion)	Lift from Previous Year
2012/2013	\$4.725	\$4 million
2013/2014	\$4.725	\$0
2014/2015	\$4.725	\$0
2015/2016	\$4.725	\$0



Allocation of Provincial Operating Grant

The funding system provides for:

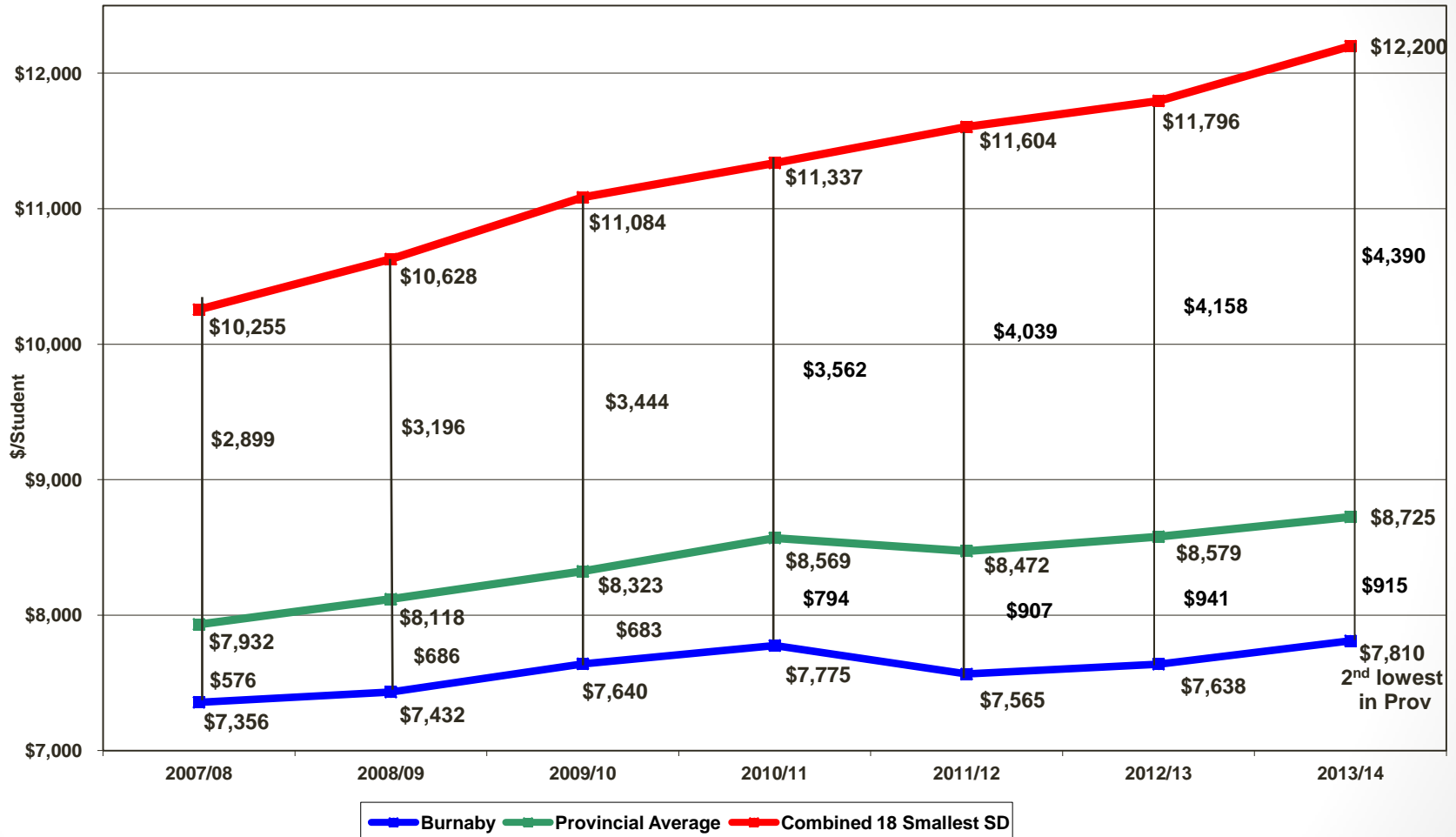
- Student base allocation of \$6,900 per school-age FTE regular, continuing education and alternate school student
- Student base allocation of \$5,851 per school-age FTE Distributed Learning student
- Student base allocation of \$4,430 per Adult FTE student
- Unique student needs: ESL (\$1,340), aboriginal 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



Ministry of Education Preliminary 2013/2014 Operating Grant Highlights

- Base allocation per pupil increased \$116 to \$6,900
- No change in Unique Student needs funding levels
- Funding to support Vulnerable Students \$429,145 and the BC Education Plan \$469,710 maintained for 2013/2014
- CommunityLINK funding unchanged at \$2.2 million
- Learning Improvement Funding unchanged at \$2.4 million
- Annual Facilities Grant unchanged at \$4.4 million

Per Student Funding



Source: Ministry of Education Factsheet
Preliminary Funding Announcements

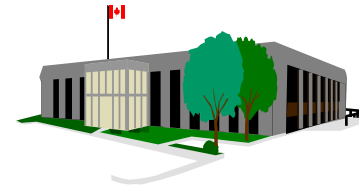
School District Operating Spending

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

- Instruction



- Operating and Maintaining buildings



- District Administration







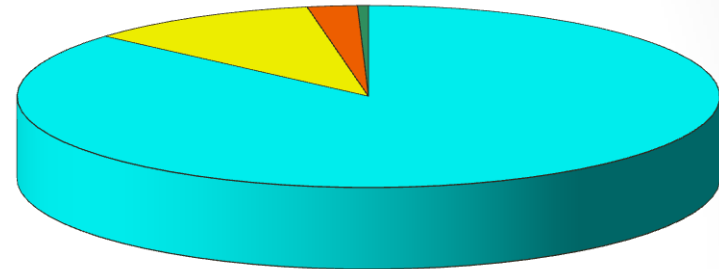
- Transportation



School District Operating Spending





Burnaby

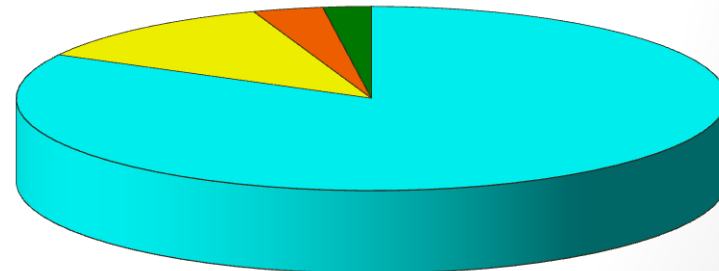
 Instruction	87.1%
 Operations & Maintenance	10.2%
 District Administration	2.3%
 Transportation	0.4%



Source: Ministry of Education Table 4 2012/13 Annual Budgeted Operating Expenditures by Function

Provincial Average

 Instruction	83.3%
 Operations & Maintenance	11.5%
 District Administration	3.2%
 Transportation	2.0%



Source: Ministry of Education Table 4 2012/13 Annual Budget Operating Expenditures by Function

School District Operating Spending

Burnaby

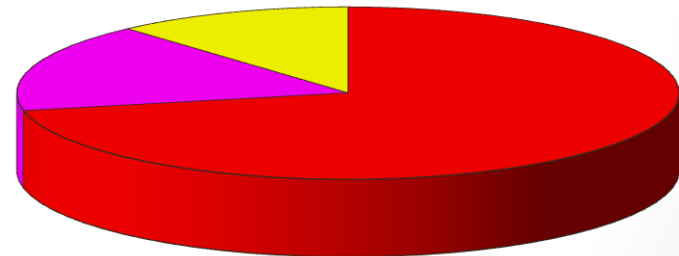
■ Salaries	73.5%
■ Employee Benefits	16.4%
■ Supplies & Services	10.1%



Source: Ministry of Education Table 5 2012/13 Annual Budgeted Operating Expenditures by Object

Provincial Average

■ Salaries	71.4%
■ Employee Benefits	17.1%
■ Supplies & Services	11.5%



Source: Ministry of Education Table 5 2012/13 Annual Budgeted Operating Expenditures by Object

Burnaby Board of Education

2013/2014 Operating Budget and Projected Three Year Operating Budget



Key Budget Timelines

February 26

- Board approval of 2012/2013 amended operating budget

March 14

- Ministry announcement of 2013/2014 preliminary operating grant

April 3

- Public Budget Meeting

April 23

- Board approval of Preliminary 2013/2014 Budget

April 30

- Submission of Preliminary Budget

2013/2014 Preliminary Budget Issues/Assumptions

- Planned carry forward of projected \$3.5 Million Surplus
- Declining student enrolment of 341 FTE
- Teacher Pension Plan cost increase of 9.3% \$1.5 million
- Budget for growth in EAs greater than increased enrolment and funding
- Potential costs of salary increase for all employee groups not budgeted (cost of a 2% salary increase \$3.9 million)
- Public Sector Accounting Standards (PSAB) implications – Budget for all funds

2013/2014 Preliminary Budget Issues/Assumptions

- Maintain current service levels and programs
- Teacher salary increments \$700,000
- Benefits – CPP 3%, EI 3.5%, TPP 9.3%, MPP 2%,WCB 3%,MSP 4%, EHB 10%, Dental 3%, EAP 2%, Life Ins 0%
- Transition costs on reversion to PST/GST effective April 1, 2013 \$360,000
- Inflation 1.5% on Services & Supplies
- Utilities - Electricity 8%, Gas 5%, Water/Sewer 8%

Enrolment

	Projected 2012/2013 Total (FTE)	Projected 2013/2014 Total (FTE)	Projected 2014/2015 Total (FTE)	Projected 2015/2016 Total (FTE)
Elementary	13,053.0	13,053.0	13,124.0	13,122.0
Secondary	10,024.6	9,669.0	9,562.0	9,432.0
Secondary - Alternate Schools	241.0	250.0	250.0	250.0
Continuing Ed - School Age	45.8	46.0	46.0	46.0
	23,364.4	23,018.0	22,982.0	22,850.0
Distributed Learning	205.1	210.0	215.0	215.0
Total - School Age	23,569.5	23,228.0	23,197.0	23,065.0
Homeschoolers	6.0	6.0	6.0	6.0
ESL	4,658.0	4,656.0	4,761.0	4,850.0
Aboriginal Education	680.0	676.0	664.0	656.0
Special Ed - Level 1	34.0	34.0	36.0	36.0
Special Ed - Level 2	647.0	662.0	695.0	726.0
Special Ed - Level 3	142.0	113.0	97.0	82.0
Adults	568.9	511.8	511.8	511.8
Total - Unique Student Needs	6,735.9	6,658.8	6,770.8	6,867.8
Total - Summer Learning	7,700.0	7,700.0	7,700.0	7,700.0
International Education	841.0	845.0	850.0	865.0

Operating Grant – 2013/2014

	2013/2014 Preliminary	2012/2013 Amended	Change
Student Base Allocation	\$ 160,052,914	\$ 159,704,106	\$ 348,808
School in the Summer / Other	2,234,207	2,233,967	240
Total Enrolment-Based Funding	162,287,121	161,938,073	349,048
ESL	6,239,040	6,241,720	(2,680)
Aboriginal Education	784,160	788,800	(4,640)
Special Ed - Level 1	1,244,400	1,244,400	-
Special Ed - Level 2	12,114,600	11,840,100	274,500
Special Ed - Level 3	1,039,600	1,306,400	(266,800)
Adult Education	574,792	697,725	(122,933)
Vulnerable Students	429,145	429,145	-
Total Unique Student Needs	22,425,737	22,548,290	(122,553)
Salary Differential	3,329,164	3,378,962	(49,798)
Unique Geographic Factors	1,144,035	1,105,630	38,405
Supplement for Enrolment Decline	385,607	112,783	272,824
Supplement for Education Plan	469,710	475,126	(5,416)
Holdback Allocation	1,000,000	2,254,608	(1,254,608)
Totals	\$ 191,041,374	\$ 191,813,472	\$ (772,098)

Other Provincial Grants

	2013/2014	2012/2013	
	Preliminary	Amended	Difference
<u>Other Ministry of Education Grants</u>			
Pay Equity	1,441,995	1,441,995	-
Education Guarantee - Graduated Adult	1,692,260	1,822,391	(130,131)
Misc. One-Time Grants	28,988	28,988	-
	3,163,243	3,293,374	(130,131)
<u>Other Provincial / Federal Grants</u>			
English Language Services for Adults	2,025,600	2,025,600	-
Other Federal Grants	14,980	14,980	-
	2,040,580	2,040,580	-

Other Fees and Revenue

	2013/2014	2012/2013	
	Preliminary	Amended	Difference
International Education	12,785,547	12,710,547	75,000
Continuing Education	1,240,700	1,240,700	-
City of Burnaby	205,000	205,000	-
ACE-IT / ICT Revenues	312,600	312,600	-
Summer Session	285,183	285,183	-
BC Hydro / Fortis BC Energy Grants	110,000	110,000	-
Miscellaneous	67,000	67,000	-
Total Other Fees & Revenue	15,006,030	14,931,030	75,000

Services and Supplies

	2013/2014	2012/2013	
	Preliminary	Amended	Difference
Services	8,646,832	8,801,648	(154,816)
Supplies	7,125,015	7,809,472	(684,457)
Utilities	3,504,443	3,162,313	342,130
Professional Development and Travel	971,734	1,038,155	(66,421)
Student Transportation	781,866	770,311	11,555
Rentals and Leases	517,350	509,704	7,646
Insurance	473,716	466,715	7,001
Dues and Fees	74,083	72,988	1,095
Total Services and Supplies	22,095,039	22,631,306	(536,267)

Status Quo Operating Budget

	2013/2014 Preliminary	2012/2013 Amended	Difference
Revenue:			
Operating Grant - Ministry of Ed	191,041,374	191,813,472	(772,098)
Other Ministry of Ed Grants	3,163,243	3,293,374	(130,131)
Other Provincial / Federal Grants	2,040,580	2,040,580	-
Other Fees & Revenue	15,006,030	14,931,030	75,000
Rentals & Leases	1,030,000	1,010,000	20,000
Investment Income	700,000	600,000	100,000
Total Revenue	212,981,227	213,688,456	(707,229)
Salaries:			
Teachers	107,746,383	108,099,923	(353,540)
Support Staff	31,951,655	31,519,655	432,000
Principals & Vice-Principals	8,662,330	8,574,794	87,536
Other Professionals	3,739,771	3,776,010	(36,239)
Substitutes	6,507,592	6,560,269	(52,677)
Total Salaries	158,607,731	158,530,651	77,080
Benefits	37,690,523	35,523,583	2,166,940
Services & Supplies	22,095,038	22,631,306	(536,268)
Total Expenses	218,393,292	216,685,540	1,707,752
Operating (Deficit) for Year	(5,412,065)	(2,997,084)	(2,414,981)
Local Capital	(742,000)	(1,412,779)	670,779
Net (Shortfall) for Year	(6,154,065)	(4,409,863)	(1,744,202)

Three Year Budget

	2013/2014	2014/2015	2015/2016
Revenue			
Ministry Operating Grant	191,041,374	191,086,408	190,078,348
Other Ministry Grants	3,163,243	3,163,243	3,163,243
Other Provincial / Federal Grants	2,040,580	2,040,580	2,040,580
Other Fees and Revenue	16,736,030	16,831,030	17,081,030
Total Revenue	212,981,227	213,121,261	212,363,201
Expenses:			
Salaries	158,607,731	159,563,505	160,194,955
Benefits	37,690,523	38,328,840	38,937,368
Services and Supplies	22,095,038	22,708,531	23,375,514
Total Expenses	218,393,292	220,600,876	222,507,837
Local Capital	(742,000)	(742,000)	(742,000)
Net (Shortfall) for the Year	(6,154,065)	(8,221,615)	(10,886,636)

Three Year Fund Balance

	2013/2014	2014/2015	2015/2016
Fund Balance Beginning of Year	3,482,105	-	-
Current Year (Shortfall)	(6,154,065)	(8,221,615)	(10,886,636)
Fund Balance prior to Adjustments	(2,671,960)	(8,221,615)	(10,886,636)
Proposed Budget Adjustments - 2013/14	(2,671,960)	(2,671,960)	(2,671,960)
Proposed Budget Adjustments - 2014/15		(5,549,655)	(5,549,655)
Proposed Budget Adjustments - 2015/16			(2,665,021)
Fund Balance End of Year	-	-	-

Potential Budget Adjustments

	FTE	Amount
Potential Budget Reductions:		
Remove 1.5% Inflation	-	\$ 271,000
Remove GST/PST Reversion Costs	-	221,000
Custodial Services	4.0	231,100
Absence Management	-	100,000
District Vice-Principal	1.0	122,000
Two Week Spring Break	-	250,000
Energy Management	-	100,000
Technology/Phone Services	-	100,000
Year End Surplus Balances	-	175,000
Clerical Casual Pool Hours	-	30,000
Enrolling Staff Allocations	12.0	1,032,000
Elementary Non Enrolling Staff Allocations	5.0	430,000
Secondary Counselling Ratio	2.0	172,000
Secondary International Staffing Allocation	4.7	404,200
Speech & Language Pathologist - Mat Leave	1.0	86,000
District Learning Support Services Teacher - Mat Leave	0.7	60,200
Elementary Alt Program Teacher	1.0	86,000
Education Assistant	0.8	41,500
Aboriginal Education	1.0	86,000
Careers Program Supplies and Resources	-	25,000
Total Potential Reductions	33.2	\$ 4,023,000

Potential Budget Adjustments

	FTE	Amount
Potential Additions:		
LGBTQ Committee Operations	-	\$ 5,000
Expansion of Challenge Program	1.0	86,000
New AP Capstone Program Start Up	-	30,000
Total Potential Additions	1.0	\$ 121,000
Net Budget Adjustments	32.2	3,902,000
Target Shortfall		2,672,000
Shortfall (Surplus)		\$ 1,230,000

PSAB Budget Reporting Implications

- 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

THANK YOU

Questions?