

Burnaby Board of Education

Budget Presentation

March 28, 2012

Agenda

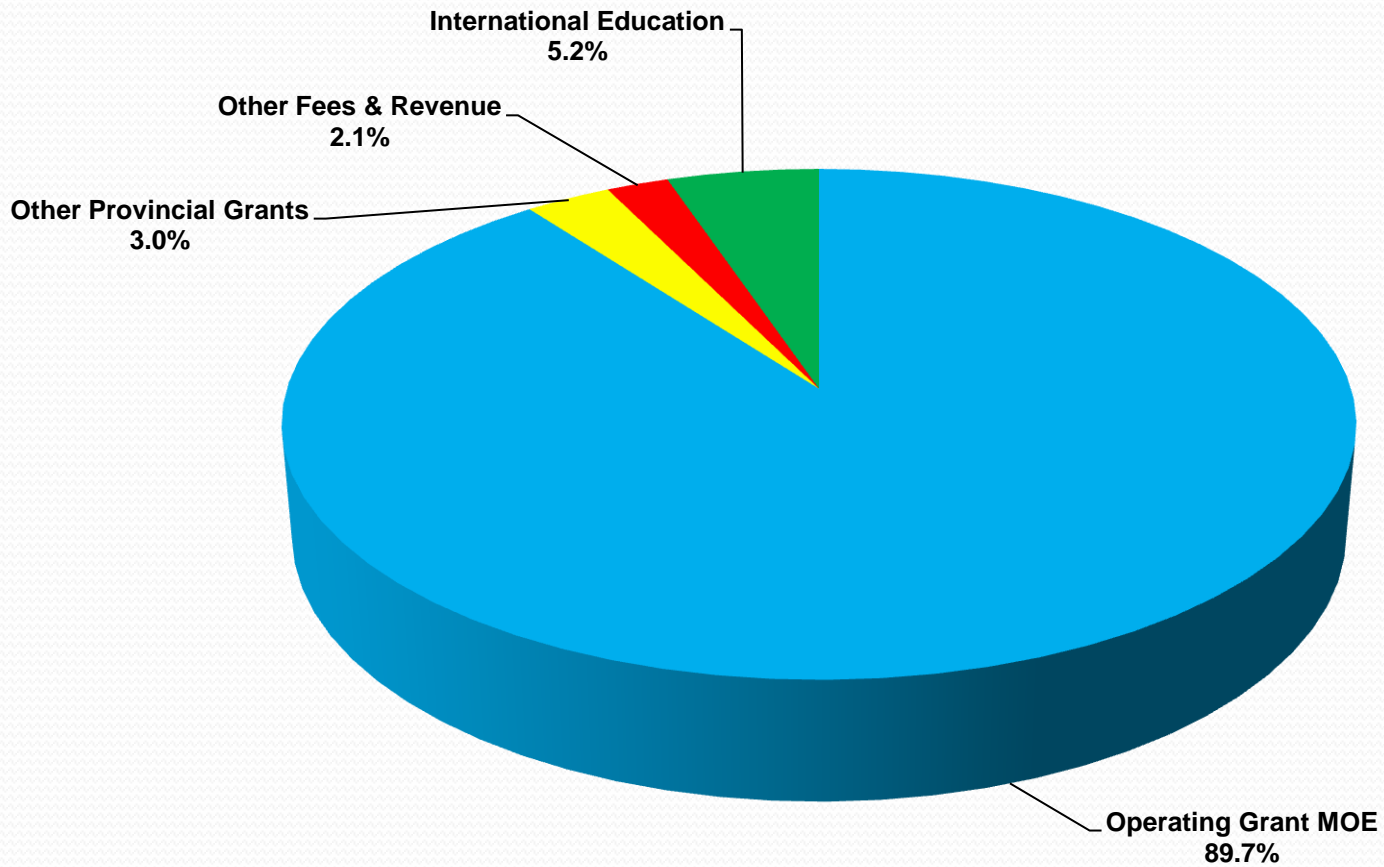
- Background Budget Information
 - Sources of Revenue
 - Provincial Funding
 - Budget Expenditure Highlights
- 2012/2013 'Status Quo' Operating Budget and Projected Three Year Operating Budgets
 - Budget Timelines
 - Budget Assumptions
 - 2012/2013 Status Quo Budget
 - Three Year projected Operating Budget and Fund Balances
 - Potential Budget Adjustments
 - New 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

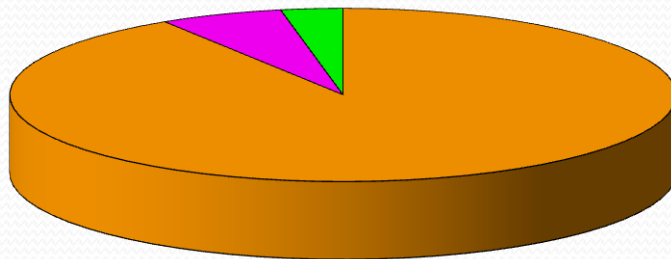


Source: 2011/12 Amended Operating budget

School District Sources of Revenue

Burnaby

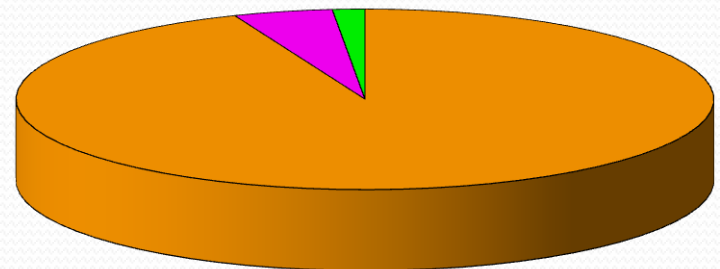
	Provincial Grants	92.1%
	Miscellaneous Revenue	6.1%
	Operating Surplus	1.8%



Source: Ministry of Education Table 2 2011/12 Annual Budgeted Sources of Operating Revenue

Provincial Average

	Provincial Grants	95.1%
	Miscellaneous Revenue	3.9%
	Operating Surplus	1.0%



Source: Ministry of Education Table 2 2011/12 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
2011/2012	\$4.721	\$58 million
2012/2013	\$4.725	\$4 million
2013/2014	\$4.725	\$0
2014/2015	\$4.725	\$0



Allocation of Provincial Operating Grant

The funding system provides for:

Student base allocation of \$6,784 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



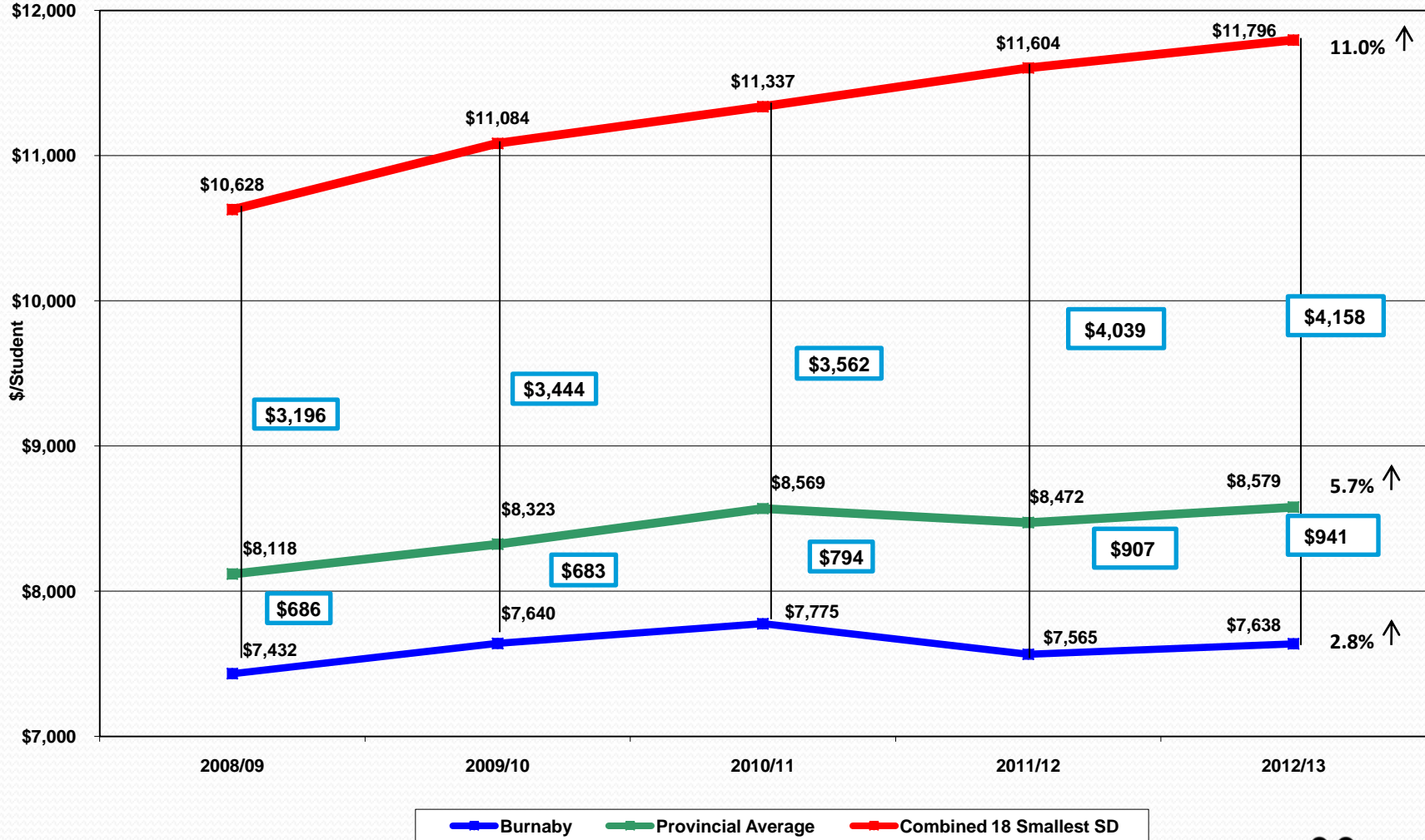
2012/2013 Operating Grant – Funding Formula Changes

- Basic allocation for school-age students unchanged at \$6,784
- Formula Transition supplement eliminated
- Funding Protection Increased to \$56.9 million (42 Districts) from \$30.6 million
- Funding for Vulnerable Students of \$11.2 million added
- Transportation funding eliminated, now included in Supplement for Unique Geographic Factors – Location Factor funding
- Supplement for the Education Plan added of \$10.7 million
- Provincial Enrolment Holdback \$51.3 million (\$61.7 million in 2011/2012)

Funding Protection

- Funding Protection is an additional allocation of funding to eligible districts to ensure no decrease in operating grant funding greater than 1.5% from the previous year
- Funding Protection is in addition to enrolment decline funding
- For 2012/13 school year, 42 School Districts will receive Funding Protection based on preliminary funding (including Burnaby - \$656,591)
- For 2012/2013 \$56.9 million has been allocated in the Preliminary Funding announcement to cover Funding Protection, an increase of \$26.3 million over 2011/2012
- On a per pupil basis this \$56.9 million represent \$105 per student or \$2.6 million if allocated to Burnaby on a per student basis

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



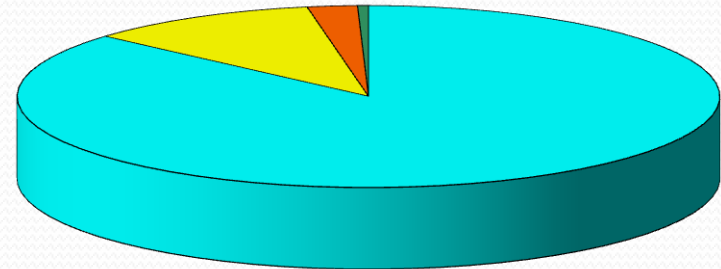
- Transportation



School District Operating Spending

Burnaby

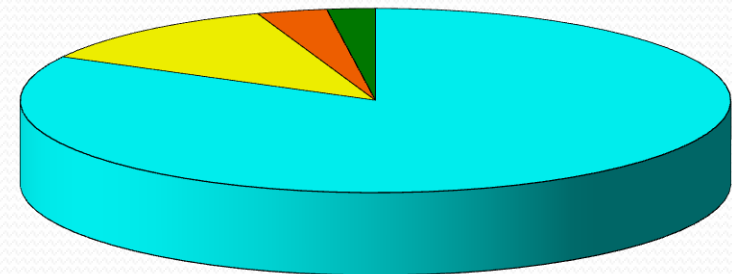
	Instruction	86.9%
	Operations & Maintenance	10.4%
	District Administration	2.3%
	Transportation	0.4%



Source: Ministry of Education Table 4 2011/12 Annual Budgeted Operating Expenditures by Function

Provincial Average

	Instruction	83.5%
	Operations & Maintenance	11.3%
	District Administration	3.2%
	Transportation	2.0%

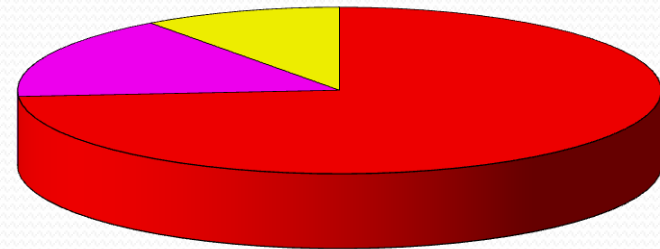


Source: Ministry of Education Table 4 2011/12 Annual Budget Operating Expenditures by Function

School District Operating Spending

Burnaby

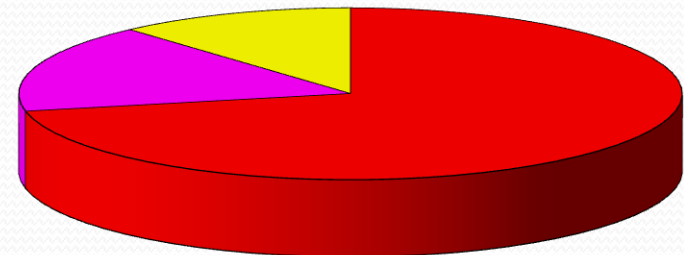
■ Salaries	74.0%
■ Employee Benefits	16.2%
■ Supplies & Services	9.8%



Source: Ministry of Education Table 5 2011/12 Annual Budgeted Operating Expenditures by Object

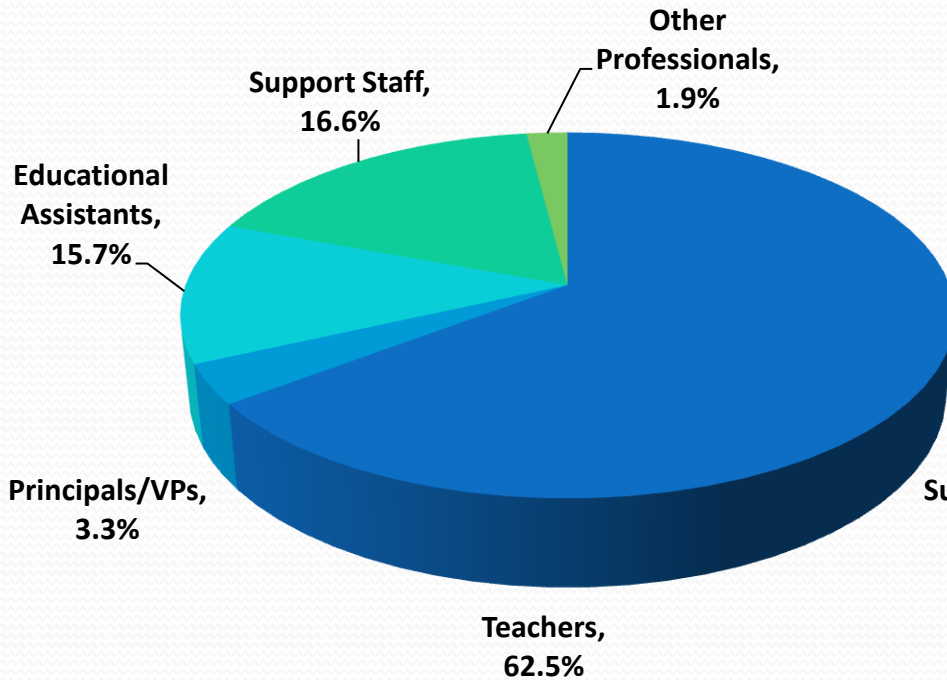
Provincial Average

■ Salaries	71.6%
■ Employee Benefits	16.9%
■ Supplies & Services	11.5%



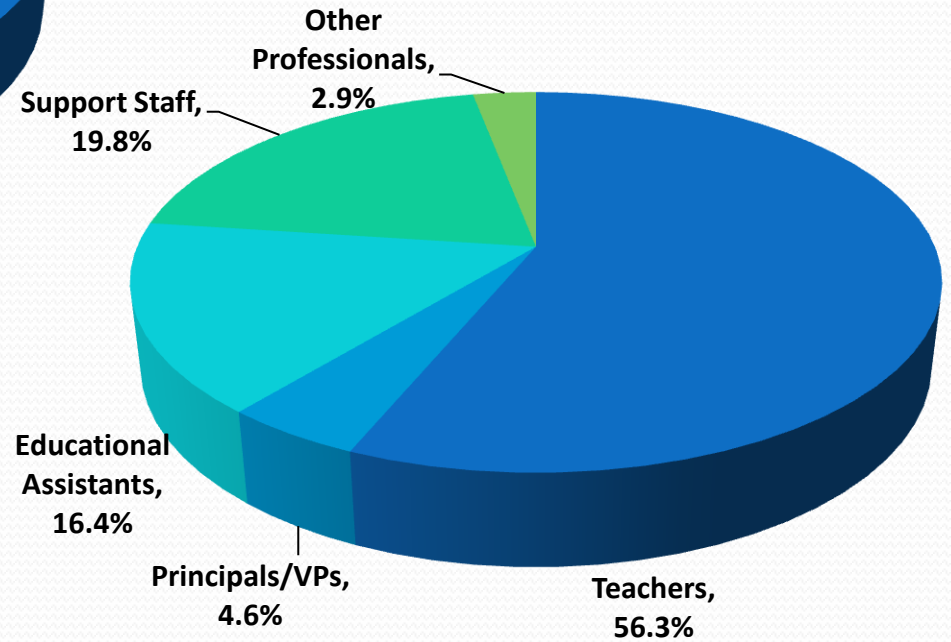
Source: Ministry of Education Table 5 2011/12 Annual Budgeted Operating Expenditures by Object

School District Budgeted FTE Employees



Province

Burnaby



Source: Table 9 2011/12 Annual Budgeted FTE Employees by Type of Employee

Burnaby Board of Education

2012/2013 Operating Budget and Projected Three Year Operating Budget



Key Budget Timelines

March 12

- Ministry of Education preliminary operating grant announcement

March 28

- Public budget meeting

April 24

- Board approval of Preliminary Budget

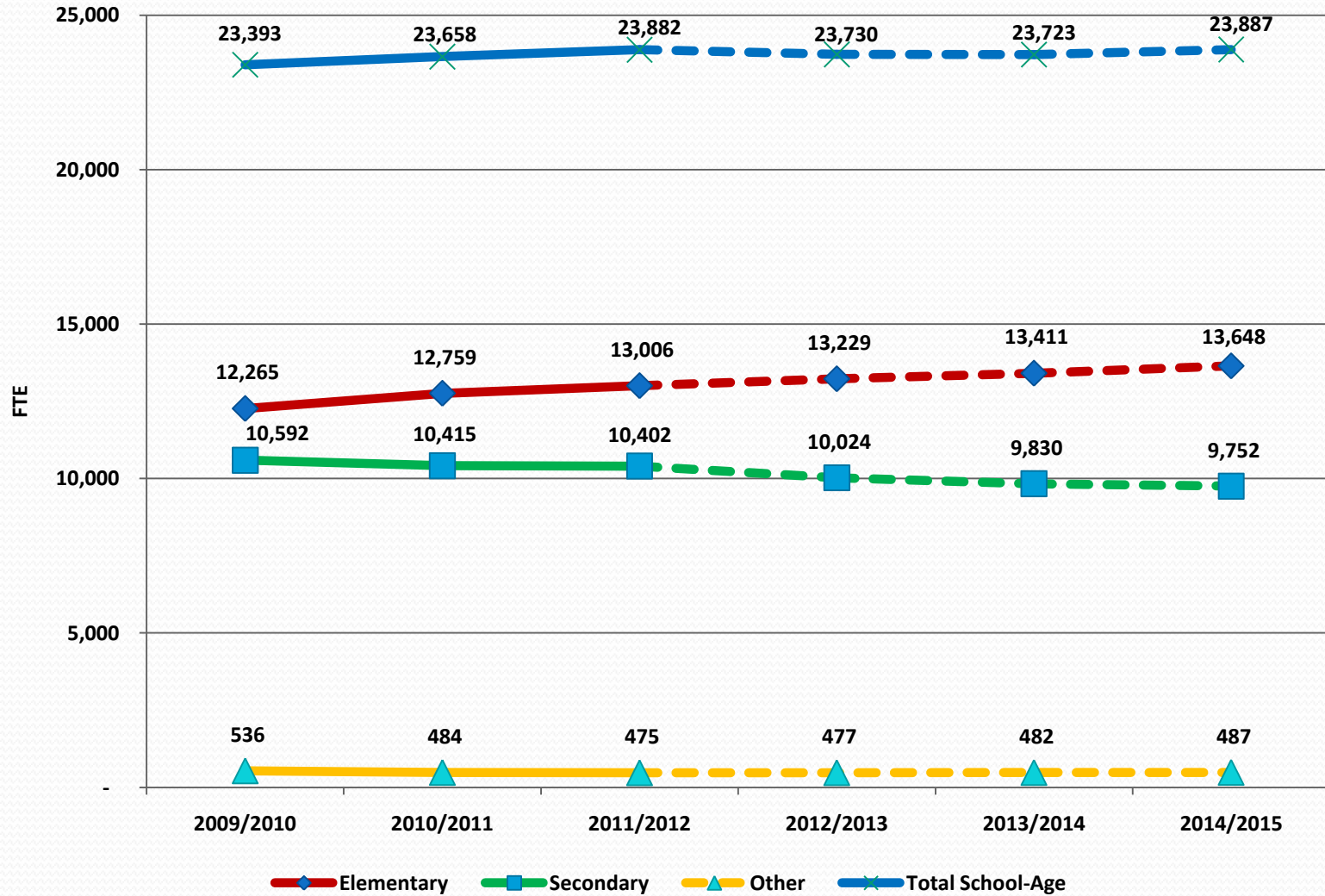
Status Quo Budget Assumptions

- ✓ Based on District's projected student enrolment for 2012/13
- ✓ Maintain current service levels and programs
- ✓ No salary lifts for all employee groups
- ✓ Teacher salary increments \$700,000
- ✓ Ministry Operating Grant announcement on March 12, 2012
- ✓ Enrolment holdback estimated to be \$1 million
- ✓ Funding Protection of \$656,591 will be eliminated at the Fall Recalc
- ✓ Inflation 2.0% on Services & Supplies
- ✓ Benefits – Municipal Pension Plan 2%, CPP 4%, EI 4%, WCB 0%, EHB 3%, Dental 3%, EAP 2%, Life Ins 0%
- ✓ Utilities - Electricity 8%, Gas 5%, Water/Sewer 8%
- ✓ Planned carry forward of \$3.3 Million Surplus
- ✓ Cost impact of reversion to GST/PST from HST
- ✓ Carbon offset and reporting costs to continue
- ✓ Public Sector Accounting Standards (PSAB) implications – Budget for all funds

Enrolment

	2011/2012 Total (FTE)	Projected 2012/2013 Total (FTE)	Projected 2013/2014 Total (FTE)	Projected 2014/2015 Total (FTE)
Elementary	13,006	13,229	13,411	13,648
Secondary	10,402	10,024	9,830	9,752
Secondary - Alternate Schools	226	226	226	226
Continuing Ed - School Age	45	46	46	46
	23,679	23,525	23,513	23,672
Distributed Learning	204	205	210	215
Total - School Age	23,882	23,730	23,723	23,887
Homeschoolers	5	5	5	5
ESL	4,728	4,831	4,944	5,026
Aboriginal Education	709	683	674	662
Special Ed - Level 1	38	35	37	38
Special Ed - Level 2	584	596	631	667
Special Ed - Level 3	159	127	109	96
Adults	638	656	656	656
Total - Unique Student Needs	6,861	6,933	7,056	7,150
Total - Summer Learning	964	965	965	965
International Education	807	820	835	850

School-Age Enrolment



Operating Grant

	2012/2013 Preliminary	2011/2012 Amended	Change
Student Base Allocation	\$ 160,793,059	\$ 161,828,247	\$ (1,035,188)
School in the Summer / Other	2,175,605	2,175,605	-
Total Enrolment-Based Funding	162,968,664	164,003,852	(1,035,188)
ESL	6,473,540	6,335,520	138,020
Aboriginal Education	792,280	822,440	(30,160)
Special Ed - Level 1	1,281,000	1,390,800	(109,800)
Special Ed - Level 2	10,906,800	10,687,200	219,600
Special Ed - Level 3	1,168,400	1,462,800	(294,400)
Adult Education	921,440	918,672	2,768
Vulnerable Students	429,145	-	429,145
Total Unique Student Needs	21,972,605	21,617,432	355,173
Salary Differential	2,976,588	2,995,931	(19,343)
Unique Geographic Factors	1,105,630	191,721	913,909
Transportation	-	675,196	(675,196)
Formula Transition	-	320,057	(320,057)
Supplement for BC Ed Plan	475,126	-	475,126
Funding Protection	656,591	-	656,591
Holdback Allocation	1,000,000	2,731,976	(1,731,976)
Totals	\$ 191,155,204	\$ 192,536,165	\$ (1,380,961)

Other Provincial Grants

	2012/2013 Preliminary	2011/2012 Amended	Difference
<u>Ministry of Education</u>			
Pay Equity	1,441,995	1,441,995	-
Education Guarantee - Graduated Adult	1,882,750	1,908,939	(26,189)
CommunityLINK Grant	773,702	773,702	-
Federal French Language Program	283,313	283,313	-
Ready Set Learn Grant	100,450	100,450	-
Misc. One-Time Grants	28,988	28,988	-
			-
	4,511,198	4,537,387	(26,189)
<u>Other Ministries</u>			
English Language Services for Adults	1,825,760	1,825,760	-
Total Other Provincial Grants ¹	6,336,958	6,363,147	(26,189)
¹ excludes new \$30 million Provincial targeted Learning Improvement Fund. Burnaby's allocation is approximately \$1.2 million, details pending			

Other Fees and Revenue

	2012/2013	2011/2012	
	Preliminary	Amended	Difference
International Education	12,237,067	11,231,780	1,005,287
Continuing Education	1,561,250	1,561,250	-
Rentals & Leases	885,950	885,950	-
City of Burnaby	602,790	602,790	-
Investment Income	500,000	500,000	-
ACE-IT / ICT Revenues	330,450	330,450	-
SSEAC Trades LMA / Training Funds	-	20,298	(20,298)
Summer Session	223,495	223,495	-
Sales Tax Recovery	-	168,000	(168,000)
BC Hydro / Fortis BC Energy Manager Grants	110,000	160,000	(50,000)
LEA/Direct Funding from First Nations	35,324	35,324	-
Miscellaneous	37,000	112,000	(75,000)
Total Other Fees & Revenue	16,523,326	15,831,337	691,989

Services and Supplies

	2012/2013	2011/2012	
	Preliminary	Amended	Difference
Services	8,280,932	8,286,457	(5,525)
Supplies	7,795,161	8,692,384	(897,223)
Utilities	3,609,313	3,348,300	261,013
Professional Development and Travel	1,003,928	1,135,696	(131,768)
Student Transportation	755,117	740,311	14,806
Rentals and Leases	520,376	510,173	10,203
Insurance	466,446	457,300	9,146
Dues and Fees	72,816	71,388	1,428
Total Services and Supplies	22,504,089	23,242,009	(737,920)

Status Quo Operating Budget

	2012/2013 Preliminary	2011/2012 Amended	Difference
Revenue:			
Operating Grant - Ministry of Ed	191,155,204	192,536,165	(1,380,961)
Other Provincial Grants	6,336,958	6,363,147	(26,189)
Other Fees & Revenue	16,523,326	15,831,337	691,989
Total Revenue	214,015,488	214,730,649	(715,161)
Salaries:			
Teachers	109,664,037	108,746,742	917,295
Support Staff	31,819,788	31,487,453	332,335
Principals & Vice-Principals	8,585,005	8,585,005	-
Other Professionals	3,635,607	3,608,712	26,895
Substitutes	6,223,173	6,212,308	10,865
Total Salaries	159,927,610	158,640,220	1,287,390
Benefits	35,683,664	34,969,124	714,540
Services & Supplies	22,504,088	23,242,009	(737,921)
Total Expenses	218,115,362	216,851,353	1,264,009
Operating Surplus (Deficit) for Year	(4,099,874)	(2,120,704)	(1,979,170)
Local Capital	(632,000)	(632,000)	-
Fund Balance Beginning of Year	3,342,254	6,094,958	(2,752,704)
Fund Balance End of Year	(1,389,620)	3,342,254	(4,731,874)

Three Year Budget

	2012/2013	2013/2014	2014/2015
Revenue			
Ministry Operating Grant	191,155,204	191,854,879	193,634,550
Other Provincial Grants	6,336,958	6,336,958	6,336,958
Other Fees and Revenue	16,523,326	16,790,201	17,011,076
Total Revenue	214,015,488	214,982,038	216,982,584
Expenses:			
Salaries	159,927,610	161,117,345	162,723,037
Benefits	35,683,664	36,318,469	36,990,988
Services and Supplies	22,504,088	23,519,881	24,211,487
Total Expenses	218,115,362	220,955,695	223,925,512
Operating Surplus (Shortfall)	(4,099,874)	(5,973,657)	(6,942,928)
Local Capital	(632,000)	(632,000)	(632,000)
Net Surplus (Shortfall)	(4,731,874)	(6,605,657)	(7,574,928)

Three Year Fund Balance

	2012/2013	2013/2014	2014/2015
Fund Balance Beginning of Year	3,342,254	-	-
Surplus (Shortfall) for the Year	(4,731,874)	(6,605,657)	(7,574,928)
Net Fund Balance Prior to Adjustments	(1,389,620)	(6,605,657)	(7,574,928)
Proposed Budget Adjustments - 2012/13	(1,389,620)	(1,389,620)	(1,389,620)
Proposed Budget Adjustments - 2013/14		(5,216,037)	(5,216,037)
Proposed Budget Adjustments - 2014/15			(969,271)
Fund Balance End of Year	-	-	-

Potential Budget Adjustments

Description	FTE	Amount
Potential Budget Reductions		
Remove 2% Inflation	-	\$ 366,000
Clawback 15% of Year End Surpluses	-	200,000
Energy Management	-	100,000
Remove GST/PST reversion costs	-	120,000
District Class Size Average	8.0 - 12.0	680,000 - 1,020,000
Purchasing Services Reorganization	-	10,000
Total Potential Reductions	8.0 - 12.0	\$1,476,000 - \$1,816,000
Potential Budget Additions		
Wellness Management	1.0	\$ 50,000
International Education Reorganization	5.5	-
Total Potential Budget Additions	6.5	\$ 50,000
Net Potential Budget Reductions	1.5 - 5.5	\$1,426,000 - \$1,766,000

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
- Annual budget bylaw approved by the Board will also include the budgeted net change in financial assets (fund balance) for operating, special purpose and capital funds

PSAB Budget Reporting Implications

- **Special Purpose Fund budget will include the following programs:**
 - School Generated Funds
 - Annual Facility Grant
 - 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!