



AGENDA  
Special Board Education and Business Committee

Thursday, April 11, 2024

4:00p.m.

Boardroom - Public Participation via Zoom

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Pages

1. CALL TO ORDER

I would like to acknowledge that this meeting is taking place on the lands of the  
Hul'q'u b ec



2024/2025 Annual Budget  
Special Board Education and Business  
Committee Meeting April 11, 2024

# Budget Guiding Principles

B

# The Four Priorities of the 2020-2024 Strategic Plan



# Administrative Procedure 412

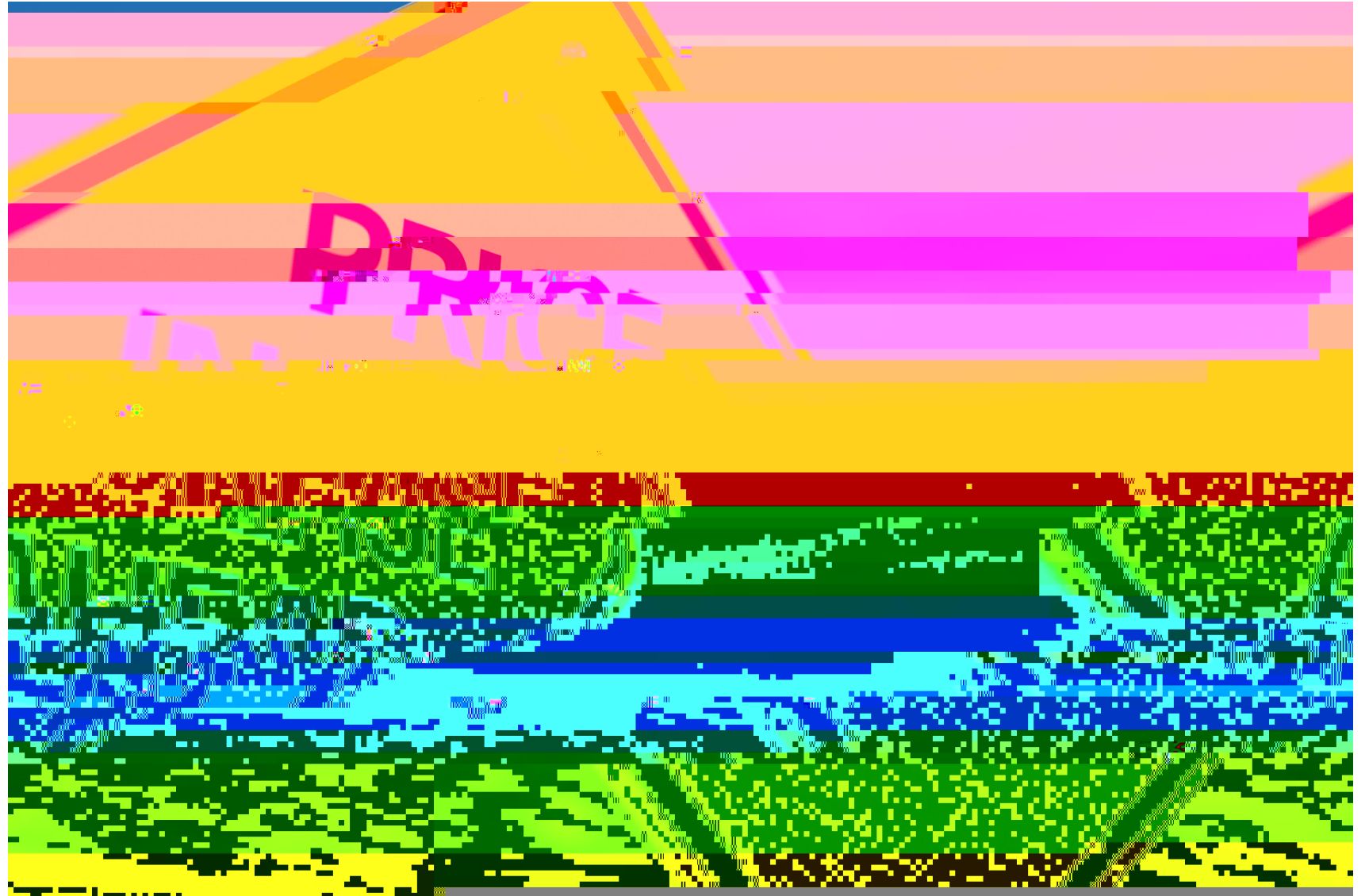
## Periods of Diminishing Financial Resources

**Background:** The District has a mandate to provide quality education services to students enrolled in schools and programs operated by the District within a fiscally responsible framework.

**Procedures:** When the District experiences a period of diminishing financial resources, the District shall be guided by two principles:

1. The maintenance of the highest quality of education services is the paramount goal - even though this may, at times, require the District's greatest efforts to preserve programs the District deems indispensable and/or to add new programs which may become important.
2. The provision of the highest reasonable level of job security for our staff shall be the District's second goal - though that goal must be inevitably tempered by the District's determination to respect the rights and needs of the students.

Cost Pressures  
Continue to  
Exceed  
Funding  
Increases



# The Budget Process so Far

The Board has been actively engaging the community to collect information in order to establish priorities for the 2024/2025 Annual Budget.

To date the Board has:

- Established the 2024/2025 Budget Guiding Principles;

- Issued a survey on the Budget;

- Held liaison meetings with Rights Holders;

- Held liaison meetings with DSAC, Indigenous Student Leadership Group, CVTF, USW, CUPE, PVPA, and DPAC;

- Held a public feedback meeting on the Budget;

- Received information from staff at Board Education and Business Committee meetings and a Board meeting.



# The Budget Process so Far

At the March 26, 2024 Regular BEBC meeting, the Board received the following information:

- A review of the Ministry Funding announcement;
- Changes in the Operating Grant rates;
- Changes in the Operating Revenues;
- Changes in the Operating Expenditures;
- Assumptions used to create the Opening Budget Position;
- An updated Surplus Reconciliation.

At this meeting we will:

- Present a list of options;
- Invite Trustees to provide feedback and recommendations;
- Review the two primary Special Purpose Funds.

## Other Ways that the Board Receives Input into the Budget

The Board's Budget engagement does not only happen with the

Other Ways  
that the Board  
Receives Input  
into the  
Budget

Through conversations that Trustees have

The Board  
Provides  
Direction to  
Staff in  
Additional  
Ways as Well

Decisions around the Budget Priorities are communicated to Staff to implement beyond the official budget process.

The Board provides additional direction to staff in the following ways:

- Through the Board's value statements and strategic priorities;

- Through decisions made at the Board table over the course of the Board's term;

- Through questions asked and opinions stated at Board Planning sessions;

The full District Leadership Team attends all meetings of the Board to ensure that the directions of the Board are understood and implemented within the constraints of the Budget.

District staff are receiving budget feedback from the Board 12 months of the year.

## Shared Recovery Mandate (SRM)

On March 19, 2024, the 2023 Shared Recovery Mandate (SRM) was announced. The 12-month BC CPI average from March 2023 to February 2024 was 3.4% (Prior Year 7.1%). This confirmed that collective agreements ratified under the 2022 SRM will include the maximum 3.0% Year 3 wage increase.

The opening budget position presented on March 26, 2024 anticipated the full increase, and wages and benefit expenditures currently reflect this increase for all staff.

Funding has not yet been announced to support the full

## Student and Family Affordability Fund

On March 14, 2024 the Province announced a one-time top-up allocation to the Student and Family Affordability Fund.

These funds will be received as part of the 2023/2024 Fiscal Year but due to the timing of the announcement will be permitted to carry over to the 2024/2025 Fiscal Year.

This fund was initially replaced in 2023/2024 by the Feeding Futures Fund.

The Student and Family Affordability Fund will be allocated out to schools based on a weighted formula of enrolment and needs.

The one-time allocation for the Cowichan Valley School District is \$347,000.

# Funding for Indigenous

## Funding for Indigenous Education Councils

For 2024/2025 the Board will receive \$118,726 to support the work of the Indigenous Education Councils.

These funds are targeted and will be reported as part of 1.31 Indigenous Education of the Operating Budget.

The intent of this funding is to offset expenses related to the establishment and maintenance of Indigenous Education Councils and the implementation and, if applicable, negotiation of Local Education Agreements (LEAs).



## The Operating Shortfall for 2024/2025?

At the March 26, 2024 Board Education and Business Committee the District identified an Opening Operating Budget shortfall of **\$3,574,719** (expenditures exceeding revenues) for 2024/2025. This projection was created using the following unconfirmed assumptions:

That the 1.00% COLA and Exempt Staff compensation increase will result in an additional \$949,352 of grant funding;

That Extended Health and Benefit rates for Teachers and Principals/Vice-Principals will increase by 7.44%;

That the 2025 WorkSafe BC demerits will equal those of 2024.

That the Bank of Canada will begin to decrease interest rates over the course of 2024/2025;

That global inflation will not affect the enrolment for the International Student Program.

# The Operating Shortfall for 2024/2025? Cont...

Certain staffing adjustments have already been applied to the Opening Budget Position:

A 1.0 FTE reduction in Exempt Staff was applied assuming the non-replacement of the Director of Communications whose duties have been distributed primarily to the Acting Assistant Superintendent of

What is  
Currently  
Included in the  
2024/2025  
Operating  
Budget  
Expenditures?

	FTE	BUDGET
<b>SALARIES</b>		
Principals/Vice-Principals	46.900	7,135,922
Teachers	450.744	43,948,224
Education Assistants	168.000	8,553,739
Indigenous and Cultural Workers	24.428	1,327,120
Clerical	64.843	3,766,879
Noon-Hour Supervisors	8.724	376,933
Custodians	53.030	3,225,560
Maintenance	13.000	1,117,656
Grounds	7.000	481,315
Tech Support	7.000	544,730
Bus Drivers / Mechanics	23.332	1,536,114
Exempt	20.000	2,500,398
Trustees	7.000	124,574
<b>SUBTOTAL SALARIES</b>	<b>894.001</b>	<b>74,639,164</b>
<b>SUBSTITUTES</b>		<b>5,515,220</b>

What is  
Currently  
Included in the  
2024/2025  
Operating  
Budget  
Expenditures?

	FTE	BUDGET
<b>EMPLOYEE BENEFITS</b>		
Statutory		8,328,935
Pension		8,283,745
Health		4,158,936
<b>SUBTOTAL BENEFITS</b>		<b>20,771,616</b>
<b>SERVICES AND SUPPLIES</b>		
Services		3,550,914
Student Transportation		341,525
Professional Development & Travel		729,574
Rentals & Leases		69,100
Dues & Fees		114,310
Insurance		335,534
Supplies		3,728,011
Utilities		1,672,900
Equipment Replacement		165,000
<b>SUBTOTAL SERVICES AND SUPPLIES</b>		<b>10,706,868</b>
<b>OPERATING CAPITAL</b>		<b>45,000</b>
<b>TOTAL OPERATING EXPENDITURES</b>		<b>111,677,868</b>

# Prior Board Initiatives Rolled Over into the 2024/2025 Annual Budget Draft

Recent Board Initiative	\$	Strategic Priority
Literacy/Numeracy Programs	417,965	Learning
21st Century Furniture	75,000	Learning
Additional Mental Health Supports	70,000	Culture of Care
Strategic Plan Implementation	50,000	All
Custodial Supplies - Additional Cleaning	50,000	Learning
Additional Assessments	40,000	Culture of Care
Inclusive Education Equipment	40,000	Culture of Care
Updated Website	30,000	Future Focused Systems
Custodial Equipment Replacement	15,000	Learning
District Wide Composting	12,000	Future Focused Systems
Maintenance and Transportation Equipment Replacement	50,000	Learning
Additional Inclusive Education Supports	100,000	Learning / Culture of Care
Climate Action	20,000	Future Focused Systems
Parent Communication App. School Messenger	25,500	Future Focused Systems
<b>Total</b>	<b>995,465</b>	

## When Budgeting with a Shortfall

A budget shortfall exists when budgeted expenditures exceed budgeted revenues.

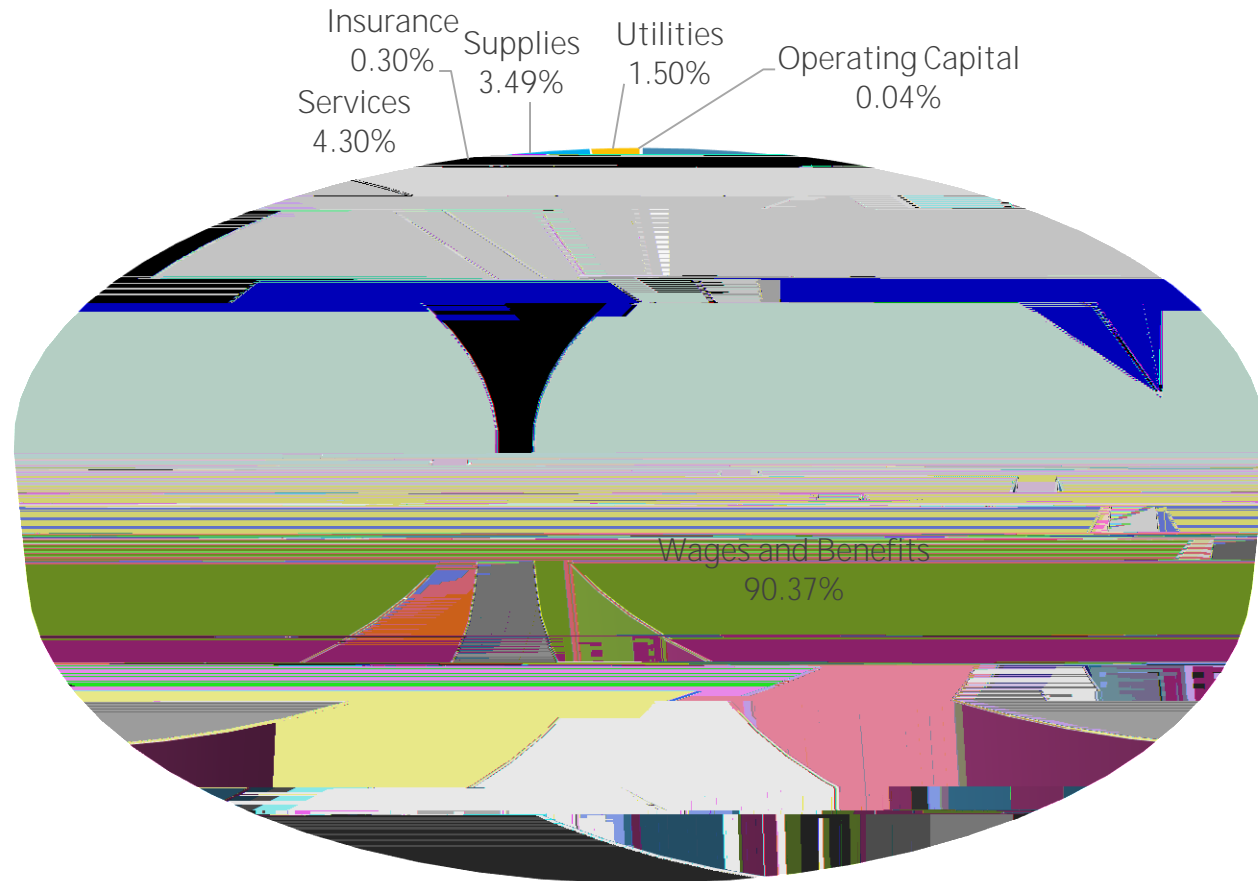
In a budget shortfall strategies have to be implemented to create a balanced budget.

These include:

- The utilization of prior year surplus;
- Reducing expenditures;
- Increasing revenues.

The Board has received many requests/suggestions for areas where the budget could enhance services, supplies, equipment and staffing levels. In a budget shortfall, adding to the budget becomes increasingly difficult without a corresponding reduction in another area.

# Draft 2024/2025 Budgeted Expenditures



# Options to Reduce the 2024/2025 Operating Budget Shortfall

(Positive numbers reduce the shortfall)

Opening Shortfall

\$ -3,574,719



# Options for Additions to the 2024/2025 Budget

(Negative numbers increase the shortfall)

Budget After Expenditure Reduction Options \$ 137,281

## Expenditure Addition Options:

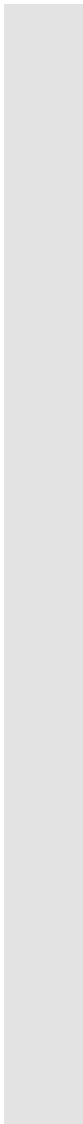
StrongStart Deficit	-48,000
Child Care Itinerant	-54,000
Workplace Accommodation Equipment	-15,000

Projected  
Surplus  
Position at  
June 30, 2024

2024/2025 Annual Operating Budget

Surplus Reconciliation

	2024/2025 Annual Budget
Operating Surplus at at June 30, 2023	6,772,987
Internally Restricted :	
Offset 2023/2024 Shortfall	2,444,868
Other	1,206,161
Subtotal	3,651,029
Unrestricted Surplus	3,121,958
Surplus Projection as at March 15, 2024	1,091,277
Surplus Generated by transferred Surplus Projb0000014305 0/P @ 1	





## Options for Consideration to Balance with Risk Factors

Utilization of additional surplus. The current proposal of accessing \$2,500,000 currently leaves \$2,213,235 of projected surplus for use in future years. A total of 1.98% of budget. The Board could explore accessing additional surplus and still stay well within the 1% to 3% contingency policy, but this will impact budgeting in future years if a generous surplus is not available.

The Bank of Canada is expected to begin to reduce its key interest rate shortly. For every .25% change in rate, the Board's interest revenue is adjusted by \$50,000 per year (to be annualized). If the Board expects that interest rates will decline very slowly, additional interest revenues could be considered.

# Special Purpose Funds

A Special Purpose Fund is funding that is set aside for a specific purpose and has external restrictions on how it

Classroom  
Enhancement  
Fund -  
Teachers

## Classroom Enhancement Fund - Overhead

For 2024/2025, funding for Overhead costs related to the MoA is \$979,114. Included in these Overhead costs are sick leave replacement for Teachers, professional development fund, Education Assistants and Human Resources support.

The Classroom Enhancement Fund is not part of the Operating Budget. It is a Special Purpose Fund and is intended to cover only the incremental costs associated with implementing the MoA.



Proposed

# Community Link Fund

Funding of \$761,512 will be in place to support the academic achievement and social functioning of vulnerable students.

Decisions on the specific programs and services are left to school boards so that the needs of individual students and local communities are met.

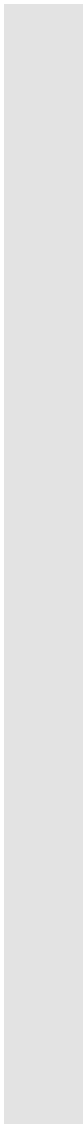
The 2024/2025 Budget includes the following:

- Itinerant behaviour intervention workers;

- Student Support Workers;

- Funding for the Early Years Coordinator and Clerical Support.





# Multi-Year Budget Planning

When preparing a multi-year budget projection, a number of assumptions are necessary. These include:

- Student enrolment;
- Staffing levels;
- Projected salary increases;
- Projected per-pupil student rates;
- Inflation;
- Future surplus/deficit generation;
- Multi-year initiatives;
- One-time initiatives.

# Multi-Year Budget Planning

The assumptions must then be built into a projection model that calculates:

- Estimated changes in the per-pupil rates;
- A projected Ministry of Education and Child Care grant;
- Wage increases;
- Benefit increases;
- Surplus utilization.

The following table utilizes an assumption of a 2% funded wage increase in 2025/2026 and 2026/2027 and inflation stabilization to 2.0% in both of those years.

Actual  
2022/2023

Budget  
2023/2024

Budget  
2024/2025

Projected  
2025/2026

Projected  
2026/2027

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Revenues





The Next

# Questions / Comments from Trustees

