
TO: Board of Education **DATE:** April 23, 2024
FROM: Carrie McVeigh, Secretary-Treasurer
RE: **2024-25 Annual Budget – Preliminary Operating Grant Announcement**

Introduction

The Board of Education of School District No. 71 (Comox Valley) is accountable for the public funds that support the school district. One of the Board's responsibilities is the adoption of the District's budget. The budget must conform to legislative requirements set out in the *School Act* and is the financial plan that supports the District's goals.

The Board is currently planning for the next school year, which includes:

- Setting priorities for the delivery of student learning
- Projecting student enrolment
- Projecting the costs of providing the existing services into the next year (salaries, benefits, utilities, inflation, etc.)
- Determining which costs will change
- Projecting revenues (international student fees, rental fees, interest revenue, Ministry grants, etc.)
- Identifying strategies and options to address the net budget position (projected revenues less projected expenditures)
- Reviewing the budget against the Board's strategic priorities
- Finalizing decisions

Boards of Education operate on a fiscal year of July 1st to June 30th. For 2024-2025, Section 113 of the *School Act* requires Boards to prepare an annual budget and have it adopted by bylaw and submitted to the Ministry of Education by June 30, 2024.

Background

The Board approved the annual 2024-25 budget schedule at the March 12, 2024 board meeting. The Ministry of Education and Child Care announced the preliminary operating grant for 2024-25 on March 14th. This report provides a summary of the impacts on the Districts' revenue with respect to the announcement. Staff are currently reviewing staffing levels and operational budgets across the organization and identifying cost pressures and efficiencies. The

full impact of all revenues and expenses will be communicated at the Committee of the Whole meeting on May 14, 2024 with an opportunity for feedback from our educational partners.

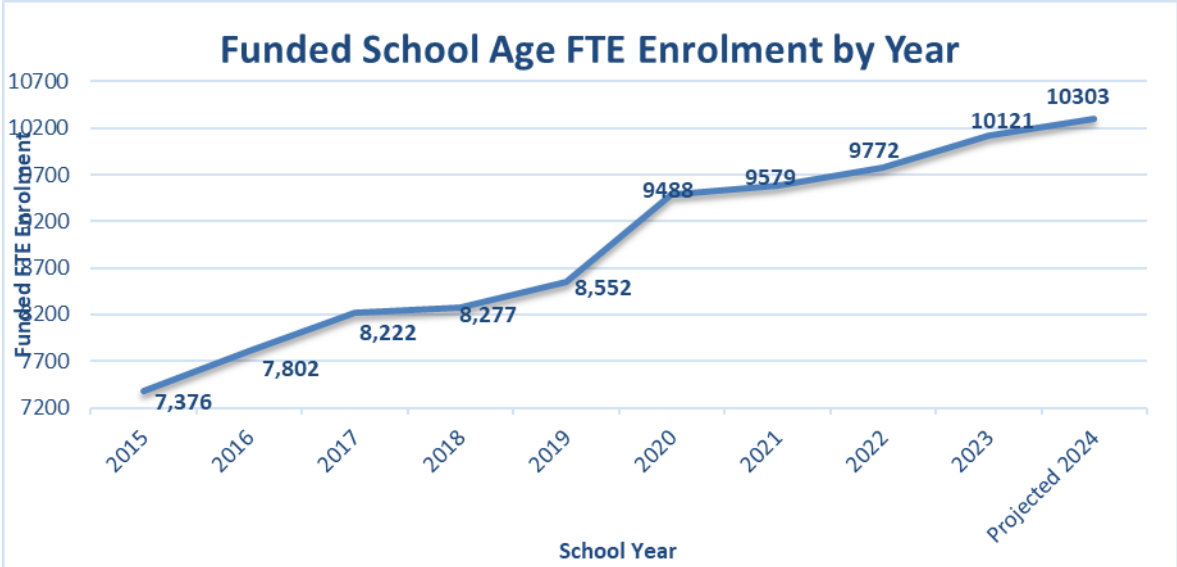
Student Enrolment

Student enrolment is the primary factor determining how much operating grant funding the District receives from the Ministry of Education and Child Care, the number of staff to employ and the number of classrooms and schools that are required.

Given that student enrolment is the primary driver in the operating grant revenue formula, all budget planning begins with the projected enrolments for the next school year.

Projected September enrolment for the 2024-25 school year is 10,303 FTE.

The chart below illustrates the growth in enrolment over the last ten years.



Enrolment in September is projected to be 10,303 FTE, which is an increase of 182 FTE students over the prior year. The number of school-age students attending School District No. 71 (Comox Valley) schools is continuing to grow.

Changing enrolment affects school district revenue. Revenue changes from enrolment changes are mainly offset by increases or decreases in expenditures as staffing and services and supplies are related to enrolment.

Budgets and staffing are typically conservative in the annual budget to reflect the risk of actual enrolment being lower than projected. As funding is determined and finalized on actual enrolments in September, budgets and staffing are then adjusted in the amended annual budget.

Ministry of Education and Child Care Operating Grant

Approximately 96% of the Districts' revenue comes from the Ministry of Education and Child Care through the Funding Allocation System (FAS). The FAS contains a number of formulae and is based primarily on student enrolment. There are additional allocations for differences in teacher salary costs, geographic factors, and unique student needs such as special needs, Indigenous students, and English Language Learners.

The Ministry announced the preliminary operating grant for 2024-25 on March 14, 2024. The Ministry has provided additional funds for enrolment growth and increased the per pupil FTE rates to offset the costs of negotiated salary and benefit increases for teachers and CUPE support staff excluding the cost of living adjustment (COLA). No additional funding has been added for other cost pressures including general inflation. A special grant for the cost of living adjustment (COLA) is expected to be announced in April. At the time this report was drafted this announcement had not been communicated by the Ministry.

Based on the 2024-25 preliminary operating grant announcement, the district is projected to receive approximately \$4.7million in additional Ministry revenue in 2024-25 as reflected in Attachment #3. It should be noted that these additional funds will be used to fund the cost pressures related to increased enrolment and contractual obligations; as well as other operational cost pressures related to inflation and growth. At this time staff do not anticipate there being any remaining funds that could be directed towards new initiatives without reducing existing service levels.

Next Steps

The Board is required to approve an Annual Budget on or before June 30, 2024 for the 2024-25 school year.

The budget development process and timelines have been structured to facilitate a consultation process that will ensure timely decisions are made in order to adopt a balanced budget in May; and allow for implementation of the budget for the 2024-25 school year. The process allows the Human Resources Department time to process any staffing changes in compliance with collective agreements and allows schools and departments to prepare for the following year.

District staff are currently working on identifying estimated cost pressures and efficiencies and will be providing a projected financial position to the Board on May 14, 2024.

Stakeholders and the public are invited to attend the public meetings and will be provided with opportunities to provide input and suggestions to the Board and to provide feedback on the information presented. In addition, our budget webpage will be launched in late April and all reports and presentations will be posted as they become available. There will also be an opportunity to provide feedback electronically.

Staff will summarize and bring all feedback to the Board throughout the process.

If required, a special Board Committee of the Whole meeting will be held on May 21, 2024 for further budget review and consultation.

The 2024-25 Annual Budget and Bylaw will be prepared in the required format and will be tentatively presented for adoption at the Board Meeting on May 28, 2024.

Respectfully submitted,

Carrie McVeigh

Carrie McVeigh
Secretary-Treasurer

Attachment #1 – Preliminary 2024/25 Operating Grant Summary

Attachment #2 – Estimated Operating Grants Overview – 2024/25 School Year

Attachment #3 – Ministry of Education Operating Grant Estimated Revenue Impact 2024-25

Preliminary 2024/25 Operating Grants

Summary of 2024/25 Preliminary Operating Grant Announcement

The operating grant block is projected to grow by \$344 million to over \$7.0 billion in 2024/25. The increase is the result of the addition of \$219 million to fully fund wage increases for teachers, support staff and non-educator exempt positions plus estimated enrolment growth totalling \$125 million.

Per student funding rates have increased by an average of 3.4% as detailed in the table below.

Supplement	2024/25 Rates	2023/24 Rates	\$ Change	% Change
Basic Allocation (Standard, Continuing Education and Alternate schools)	\$8,915	\$8,625	\$290	3.4%
Basic Allocation (Online Learning)	\$7,200	\$6,960	\$240	3.4%
Inclusive Education – Level 1	\$50,730	\$49,070	\$1,660	3.4%
Inclusive Education – Level 2	\$24,070	\$23,280	\$790	3.4%
Inclusive Education – Level 3	\$12,160	\$11,760	\$400	3.4%
English/French Language Learning	\$1,795	\$1,735	\$60	3.5%
Indigenous Education	\$1,770	\$1,710	\$60	3.5%
Adult Education	\$5,690	\$5,505	\$185	3.4%
Summer Learning (Grades 1-9)	\$255	\$245	\$10	4.1%
Summer Learning (Grades 10-12)	\$505	\$490	\$15	3.1%

Supplements that are provided based on a formula have also increased:

Supplement	2024/25	2023/24	\$ Change	% Change
Equity of Opportunity Supplement	\$27.5M	\$26.5M	\$1.0M	3.8%
Small Community Supplement	\$103.0M	\$100.4M	\$2.5M	2.5%
Low Enrolment Factor	\$63.9M	\$63.7M	\$0.2M	0.4%
Student Location Factor	\$104.8M	\$103.7M	\$1.1M	1.0%

Approved Labour Settlement Funding

The 2024/25 school year will be the third and final year of the 2022 Shared Recovery Mandate. Labour settlement funding that has been confirmed by the Public Sector Employers' Council Secretariat (PSEC-S) prior to March 2024 has been allocated through the operating grant rates. This includes wage increases for teachers, support staff and non-educator exempt positions, and support staff local table allocations. Portions have also been allocated to the Classroom Enhancement Fund, CommunityLINK, and Provincial Resource Programs.

The \$114.1 million in labour settlement funding that was allocated as a special grant in 2023/24 and published in the May 2023 Summary of Grants tables, including the Cost-of-Living Adjustment (COLA) for teachers and support staff, has also been rolled into the 2024/25 operating grant rates.

Future Labour Settlement Funding

- **COLA for Teachers and Support Staff**

Labour settlement funding related to the 2024/25 COLA will be allocated as a special grant following confirmation of this funding, which is expected in April 2024.

To ensure that districts budget for COLA appropriately, the Ministry will provide the estimated breakdown of this funding between the Operating fund and CEF. These estimates will be adjusted based on actual CEF costs submitted by districts in Fall 2024. Any CEF portion not required to cover actuals will be put back into the Operating portion of the COLA funding in the 2024/25 recalculated operating grants announced in December 2024.

- **Salary Increases for Exempt Positions**

Bargaining mandates and exempt compensation are coordinated by PSEC-S and the Ministry can only announce funding as it is provided by Treasury Board on the direction of PSEC-S. Irrespective of the funding provided, 2024 salary increases for exempt staff must be approved by BCPSEA.

Exempt positions include the following employee groups:

- **Administrators in leadership roles:** These positions are coded as EN in the Employment Data and Analysis System (EDAS) (see table below). This group includes staff reported in the Principal and Vice-Principal Salaries expense category. Funding for salary increases (if approved by Treasury Board) will be allocated as a special grant pending direction from PSEC-S.
- **Non-educator exempt:** This group includes exempt staff reported in the Other Professionals Salaries expense category and are coded as EX in EDAS. Funding for these salary increases has been allocated through the operating grant rates.

Sample of positions that are coded as EN in EDAS Administrators in Leadership Roles	Sample of positions that are coded as EX in EDAS Non-educator Exempt
Director of Instruction Supervisor of Instruction Principal Vice-Principal Assistant Superintendent Assistant Superintendent - Education Programs Assistant Superintendent - Human Resources Assistant Superintendent - Student Support Services Associate Superintendent Associate Superintendent, Human Resources Deputy Superintendent Superintendent of Schools District Vice-Principal District Principal	Human Resources Payroll Finance (all except Secretary Treasurer) Secretary Treasurer Information Technology Occupational Health and Safety Transportation Custodian Facilities/Maintenance Executive Assistant Education Support Counsellors Education Support Physiotherapist Education Support Psychologists Education Support Language (oral or sign) Education Other School Support (Program Administrator, Continuing Ed, other School programs) Education Support Board Office (Communications, Corporate Service, International Education, etc)

Enrolment Changes

School districts are estimating they will enrol 589,067 school-age FTE in September 2024, an increase of more than 7,500 FTE (or 1.3%) over the September 2023 total. Thirty-six (36) districts are estimating they will have increased enrolment in September 2024.

School districts are also estimating there will be substantial enrolment growth across the Unique Student Needs funding categories, including increases of 1,080 Level 2 and 269 Level 3 students, as well as an additional 4,574 ELL/FLL students. There is only a slight increase of 27 Indigenous Education students.

Operating Grant Changes

All 60 districts are estimated to have increases to their operating grants for the upcoming school year. The per student average, including all special grants, is an estimated \$13,229 for 2024/25, a 40.3% increase from 2016/17.

Funding for students with L1, L2 & L3 disabilities and diverse abilities is projected to grow by \$58.3 million, or 6.7%, from \$873 million to \$932 million, as enrolment continues to grow and labour settlement funding is added.

Funding will be recalculated when actual enrolment is known in the September 2024 enrolment count.

Funding Protection/Enrolment Decline

A total of seven districts are receiving an estimated total of \$5.6 million in Funding Protection; this is an increase of \$1.9 million or 54% more compared to 2023/24.

In 2024/25 it is estimated that 11 districts will receive \$2.2 million from the Supplement for Enrolment Decline, up from 9 districts and \$0.9 million in 2023/24.

Special Grants

In addition to the operating grant block, the following amounts are being provided for school district operations:

- Preliminary Classroom Enhancement Fund: \$676.5 million
- Learning Improvement Fund: \$25.0 million, unchanged
- CommunityLINK: \$60.0 million, a \$0.8 million increase from 2023/24
- Pay Equity: \$50.9 million, unchanged
- Student Transportation Fund: \$15.4 million, unchanged
- Feeding Futures Fund: \$71.5 million, unchanged

Classroom Enhancement Fund (CEF)

The Ministry is announcing CEF staffing funding at 100% of the amounts for the current school year plus additional labour settlement funding for the 2% general wage increase for teachers to facilitate budgeting and planning for the next school year. The same methodology has been used to determine the overhead allocations for 2024/25.

Thus, the preliminary Classroom Enhancement Fund is set at \$676.5 million:

- \$630.7 million for CEF staffing
- \$45.8 million for CEF overhead

As in previous years, the Ministry is not announcing CEF remedy funding at this time. CEF remedies will be allocated based on school district reporting of actual remedies incurred in October 2024.

The process for applying for any additional funding for the 2024/25 CEF staffing allocations will be the same as this year.

Indigenous Education Councils

New to the operating grants for 2024/25 is funding to support the implementation of Indigenous Education Councils (IECs). The funding envelope as provided by Treasury Board has been allocated to each district based on:

- A \$50,000 base grant per district
- \$9,250 per First Nation located (estimated) within the district's boundaries
- A Rural Factor adjustment (see Table 6c for the Rural Index)

The principles of the funding allocation are:

- Each district will require a base level of funding;
- The complexity of the operations of an IEC may be affected by the number of First Nations a school district is interacting with; and
- Travel to provincial meetings, if necessary, will be more costly for rural districts.

IEC allocations are detailed in Table 14 of the [2024/25 Estimated Operating Grants](#).

Estimated Operating Grants Overview - 2024/25 School Year

School District 71 (Comox Valley)

September 2024 Enrolment Count				
	School-Age Enrolment	Funding Level	Funding	Total Supplement
Standard (Regular) Schools	8,441.0000	\$8,915	\$75,251,515	
Continuing Education	11.3750	\$8,915	\$101,408	
Alternate Schools	171.0000	\$8,915	\$1,524,465	
Online Learning	1,680.0000	\$7,200	\$12,096,000	
Home Schooling	43	\$250	\$10,750	
Course Challenges	4	\$279	\$1,116	
Total Enrolment-Based Funding (September)	10,303.3750			\$88,985,254
	Total Enrol. Change	Funding Level	Funding	Total Supplement
1% to 4% Enrolment Decline	182.3750	\$4,458	\$0	
4%+ Enrolment Decline		\$6,686	\$0	
Significant Cumulative Decline (7%+)	541.5625	\$4,458	\$0	
Supplement for Enrolment Decline				\$0
	Enrolment	Funding Level	Funding	Total Supplement
Level 1 Special Needs	3	\$50,730	\$152,190	
Level 2 Special Needs	515	\$24,070	\$12,396,050	
Level 3 Special Needs	80	\$12,160	\$972,800	
English Language Learning	200	\$1,795	\$359,000	
Indigenous Education	1,750	\$1,770	\$3,097,500	
Adult Education	18.5000	\$5,690	\$105,265	
Equity of Opportunity Supplement			\$435,454	
Supplement for Unique Student Needs				\$17,518,259
		Funding		Total Supplement
Variance from Provincial Average	\$1,587			
Estimated Number of Educators	573.438		\$910,046	
	Enrolment	Funding Level	Funding	Total Supplement
FTE Distribution	10,321.8750	\$180.33	\$1,861,344	
Supplement for Salary Differential				\$2,771,390
Supplement for Unique Geographic Factors				\$7,147,853
Funding Protection				\$0
Curriculum and Learning Support Fund				\$91,089
September 2024 Enrolment Count, Total				\$116,513,845

July 2024 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
Summer Learning Grade 1-7	0	\$255	\$0	
Summer Learning Grade 8-9	0	\$255	\$0	
Summer Learning Grade 10-12	0	\$505	\$0	
Supplemental Summer Learning Funding			\$0	
Cross-Enrolment, Grade 8 and 9	100	\$505	\$50,500	
Summer Learning, Total				\$50,500
February 2025 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	0.0000	\$8,915	\$0	
Adult FTE - Continuing Education	0.0000	\$5,690	\$0	
K-Gr 9 School-Age FTE - Online Learning	90.0000	\$3,600	\$324,000	
Gr 10-12 School-Age FTE - Online Learning	300.0000	\$7,200	\$2,160,000	
Adult FTE - Online Learning	8.0000	\$5,690	\$45,520	
Level 1 Special Needs Enrolment Growth	0	\$25,365	\$0	
Level 2 Special Needs Enrolment Growth	25	\$12,035	\$300,875	
Level 3 Special Needs Enrolment Growth	0	\$6,080	\$0	
Newcomer Refugees	10.0000	\$4,458	\$44,580	
ELL Supplement - Newcomer Refugees	0	\$898	\$0	
February 2025 Enrolment Count, Total				\$2,874,975
May 2025 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	0.0000	\$8,915	\$0	
Adult FTE - Continuing Education	0.0000	\$5,690	\$0	
K-Gr 9 School-Age FTE - Online Learning	15.0000	\$2,400	\$36,000	
Gr 10-12 School-Age FTE - Online Learning	200.0000	\$7,200	\$1,440,000	
Adult FTE - Online Learning	5.0000	\$5,690	\$28,450	
May 2025 Enrolment Count, Total				\$1,504,450
Indigenous Education Councils				\$69,614
2024/25 Full-Year Estimated Total				\$121,013,384
Estimated 2024/25 Operating Grant from Indigenous Services Canada				\$123,579
Estimated 2024/25 Operating Grant from Ministry of Education and Child Care				\$120,889,805

SCHOOL DISTRICT NO. 71 (Comox Valley)
Ministry of Education Operating Grant - ESTIMATED - for the 2024-25 Year

	2023-24 Actual Amended Annual Budget (based on actual Sept enrolment)			2024-25 ESTIMATED Annual Budget (based on projected Sept enrolment)		
	FTE	Grant	Total	FTE	Grant	Total
Enrolment Based Funding						
Standard (Regular) schools	8,272.06	8,625	71,346,535	8,441.00	8,915	75,251,515
Continuing education	11.38	8,625	98,109	11.38	8,915	101,408
Alternate schools	176.00	8,625	1,518,000	171.00	8,915	1,524,465
Online Learning	1,661.56	6,960	11,564,478	1,680.00	7,200	12,096,000
	<u>10,121.00</u>			<u>10,303.38</u>		
Home Schooling	43.00	250	10,750	43.00	250	10,750
Course Challenges	4.00	270	1,080	4.00	279	1,116
Total September Enrolment Based Funding			\$ 84,538,953			\$ 88,985,254
Unique Student Needs						
English as a second language	196.00	1,735	340,060	200.00	1,795	359,000
Indigenous Education	1,713.00	1,710	2,929,230	1,750.00	1,770	3,097,500
Level 1 Special Needs	3.00	49,070	147,210	3.00	50,730	152,190
Level 2 Special Needs	513.00	23,280	11,942,640	515.00	24,070	12,396,050
Level 3 Special Needs	74.00	11,760	870,240	80.00	12,160	972,800
Adult Education (Non Graduated)	18.50	5,505	101,843	18.50	5,690	105,265
Equity of Opportunity Supplement			<u>462,154</u>			<u>435,454</u>
Total September Enrolment Based Funding			16,793,377			17,518,259
Salary differential			2,705,523			2,771,390
Unique geographic factors			6,780,984			7,147,853
Transportation			0			0
Holdback allocation			0			0
Formula transition			0			1
Funding protection			<u>0</u>			<u>0</u>
Subtotal September Operating Grant			110,818,837			116,422,757
Curriculum and Learning Support Fund			<u>87,949</u>			<u>91,089</u>
Total September Operating Grant			\$ 110,906,786			\$ 116,513,846
Summer learning			49,000			50,500
Estimated enrolment based funding - February			2,338,610			2,874,975
Estimated enrolment based funding - May			1,036,725			1,504,450
Indigenous Education Councils - NEW 2024-25						69,614
Total Aggregate Funding Announced			<u>\$ 114,331,121</u>			<u>\$ 121,013,385</u>
						<u>\$ 6,682,264</u>
Labour Settlement Funding in the Amended Budget Tables that has now been rolled into the Operating Block Above (24/25)						<u>-\$ 1,931,944</u>
Revised Aggregate Funding Announced - Budget Impact						<u>\$ 4,750,320</u>