



**Comox Valley Schools**

**A Community of Learners**

INNOVATIVE • INQUISITIVE • INCLUSIVE

# SD71 Preliminary Budget

2024-25 SCHOOL YEAR

MAY 14, 2024

# 2024/25 Annual Budget Process Updated Schedule



**March 15 – Preliminary Operating Grant Announcement**



**April 9 – Budget Process Overview Presentation**



**April 23 – First Review of Implications from the Operating Grant Announcement**



**May 14 – Preliminary Budget Presentation – Review Full Impact of Cost Pressures and provide Options for Balancing the Budget**



**May 14 to 22 – Compile Public Feedback**

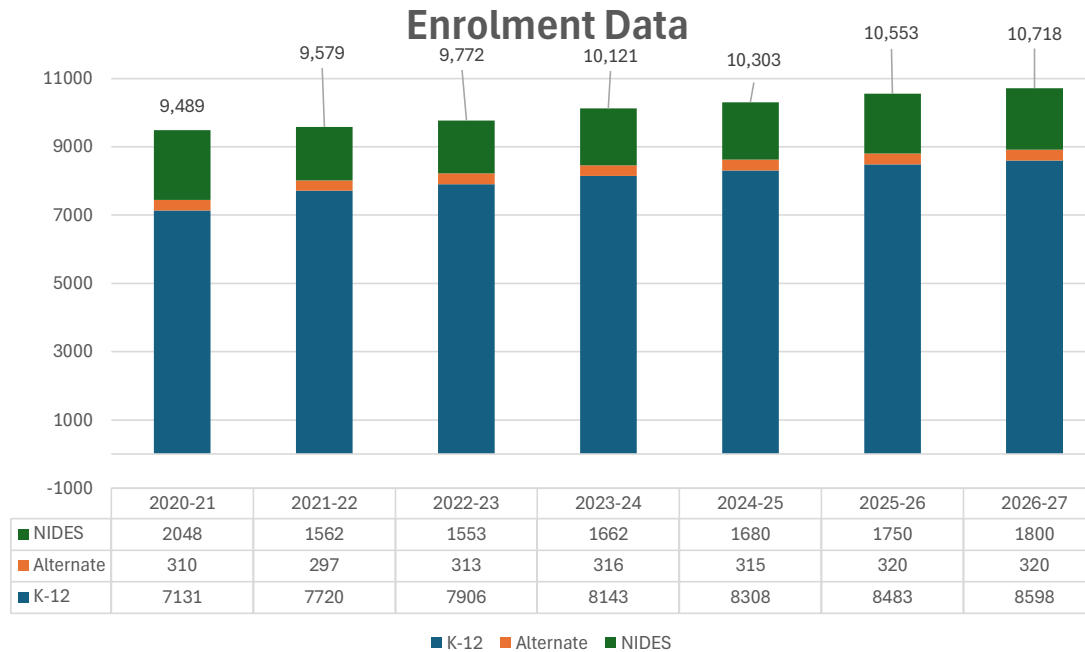


**May 28 – Share Public Feedback and Tentative Approval 2024-25 Annual Budget Bylaw. Possible Approval in June if Required**

# 2024/25 Preliminary Operating Budget

- ***School Act* requires adopted Budget by June 30th**
- **2024/25 Balanced Budget Represents:**
  - **Setting priorities for the delivery of student learning**
  - **Projecting student enrolment**
  - **Cost pressures to maintain current levels of programs and services**
  - **Projecting revenues**
  - **Strategies and options to address the net budget position**

# 2024-25 Enrolment Projection



# Enrolment – Historical and Projected (Sept)

Funded School Age FTE Enrolment by Year



# Operating Revenue – Ministry Grant

- ▶ **Ministry of Education and Child Care Operating Grant \$121 M (Increase of \$4.7 M)**
- ▶ **September Enrolment Est = 10,303 FTE (increase of 182 FTE)**
- ▶ **Funding Covers Enrolment Growth & Negotiated Salary increases for Teachers, CUPE support staff, non Education Exempt. (2%)**
- ▶ **Excludes COLA – TBA**

	<b>2023-24 Actual Amended Annual Budget Total</b>	<b>2024-25 ESTIMATED Annual Total</b>
<b>Total September Enrolment Based Funding</b>	<b>\$ 84,538,953</b>	<b>\$ 88,985,254</b>
<b>Unique Student Needs</b>		
English as a second language	340,060	359,000
Indigenous Education	2,929,230	3,097,500
Level 1 Special Needs	147,210	152,190
Level 2 Special Needs	11,942,640	12,396,050
Level 3 Special Needs	870,240	972,800
Adult Education (Non Graduated)	101,843	105,265
Equity of Opportunity Supplement	462,154	435,454
<b>Total September Enrolment Based Funding</b>	<b>16,793,377</b>	<b>17,518,259</b>
Salary differential	2,705,523	2,771,390
Unique geographic factors	6,780,984	7,147,853
Curriculum and Learning Support Fund	87,949	91,089
<b>Total September Operating Grant</b>	<b>\$ 110,906,786</b>	<b>\$ 116,513,846</b>
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
<b>Total Aggregate Funding Announced</b>	<b>\$ 114,331,121</b>	<b>\$ 121,013,385</b>
		<b>\$ 6,682,264</b>
Labour Settlement Funding in the Amended Budget Tables that has now been		-\$ 1,931,944
<b>Revised Aggregate Funding Announced - Budget Impact</b>		<b>\$ 4,750,320</b>

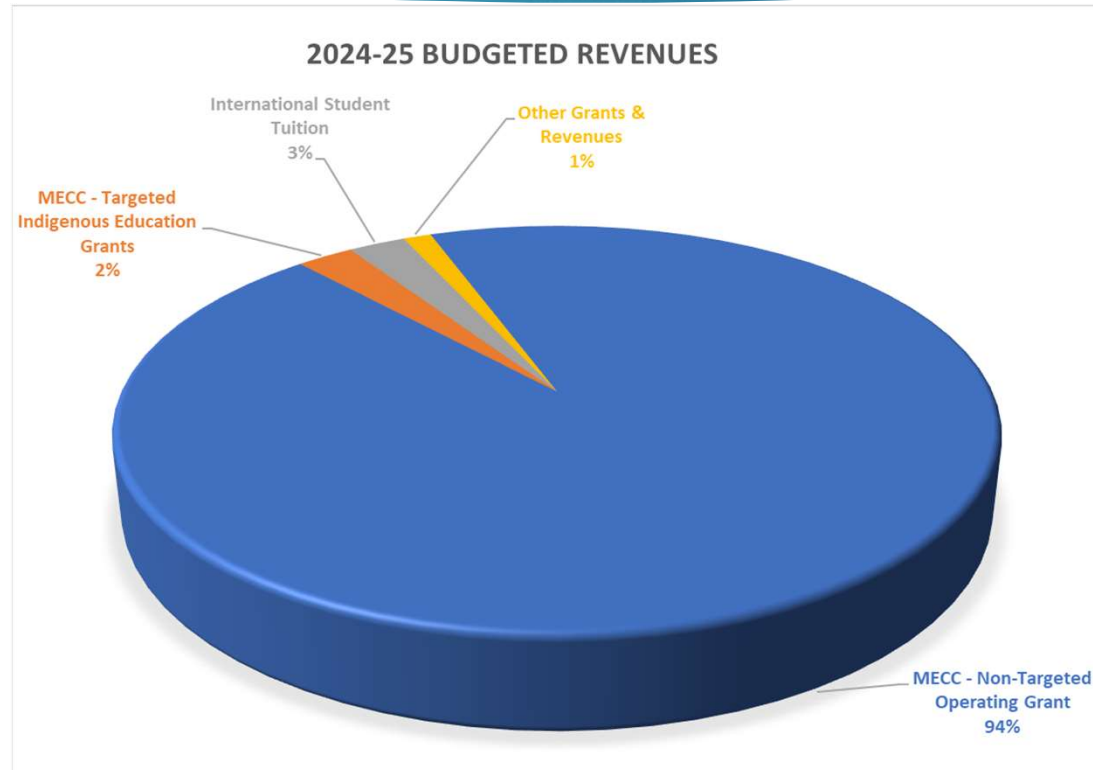
# Operating Revenue – Overall Projected Increase

➤ **Overall Increase to Projected Revenues for 2024-25 = \$4,266,731**

- ▶ **International Student Program – Increased Tuition Fees (195 FTE) = \$206.5K**
- ▶ **Interest rates expected to drop & capital projects nearing completion (\$285K)**
- ▶ **Other Revenue/Rentals and Leases (\$18K)**

		Preliminary Budget Changes 2024-25
<b>REVENUE INCREASES (DECREASES)</b>		
<b>Ministry - Operating Grant</b>		
Enrolment Change	Projected increase in overall enrolment grants	4,750,320
Enrolment Change	Projected ISP Enrolment and Other Revenues	206,500
Other Ministry Revenues	Labour Settlement Funding - COLA Special Grant - TBA	TBA
<b>Other Revenue Changes</b>		
	Prior Year Surplus Appropriation	-387,089
Other Revenue	Other Revenues	-28,000
Rentals and Leases	Increased Facilities Rentals	10,000
Investment Income	Decrease in estimated future rates	-285,000
<b>TOTAL REVENUE INCREASES (DECREASES)</b>		<b>4,266,731</b>

# Total Revenues – Operating





# Operating – 2024/25 Cost Pressures (Funded)

- ▶ **BCTF & CUPE Contractual Salary Increases (2%) = \$2.76M**
- ▶ **Increased Enrolment (182 FTE) = \$1.7M**
- ▶ **Increased Teacher Mentorship (.40 FTE) = \$50K**
- ▶ **Increased Indigenous Education/IEC = \$238K**

COST INCREASES (DECREASES) - Required		
Teacher Staffing	Anticipated Staffing costs for Fall 2024 - enrolment changes	1,650,396
Teacher Staffing	Increased Teacher Mentorship (.4 FTE)	50,217
Teacher Wage Increases	Base/Minimum 2%	2,266,832
CUPE Wage Increases	Base/Minimum 2%	417,750
Teacher & Support Staffing	Substitute Wage 2%	76,527
Teacher & CUPE	Contractual ProD costs	18,500
CUPE Custodial	Increase District Space	70,530
Indigenous Education	Targeted funding - projected increase in enrolment	168,270
Indigenous Education	Targeted funding - NEW IEC Implementation	69,614
Inclusive Education	Targeted ICY Expenses (projected surplus carryforward)	-30,800
<b>Total Funded Cost Pressures</b>		<b>4,757,836</b>

# Operating – 2024/25 Cost Pressures (Un-Funded/New Cost Drivers)

- ▶ **Average 20% premium increases to employee benefits = \$775K**
- ▶ **Inflation – Supplies and Services = \$425K**
- ▶ **Administration PVP/Exempt – Realign & Capacity Building = \$217K**
- ▶ **Education Admin – District Principal Anti-Racism, Diversity & Equity = \$205K**
- ▶ **PVP/Excluded Wage Increases (2%) = \$267 (*Special Grant Anticipated to be announced in June*)**

COST INCREASES (DECREASES)		
PVP/Excluded Wages	Estimated wage 2%	261,394
Trustee Wages	Estimated wage 2%	5,461
Staff Benefit Premium Increases	Approx 20% premium increases across employee groups	774,607
Maintenance Supplies & Utility Costs	Costs for Supplies and Services, Hydro, Fortis, Propane, Oil & Gas	27,400
International Program	Increased Service & Supply Expenses	72,000
Ministry Recoveries	SPP Premium Increase	7,460
ST/HR	Increased Audit Fees, services and supplies	4,500
School and Exempt - Administration	Restructure and Capacity Building	217,278
Education Administration	District Principal - Anti-Racism, Diversity & Equity (Safe and Caring Schools)	204,648
Information Technology	Increase Licencing Costs - due to enrolment, increased staff, contractual increases	143,062
School Budgets	Increased Enrolments = Increased Supply & Resources	26,476
Early Learning	Strong Start and Ready Set Learn additional Cost pressure	5,848
Transportation	Busing Contractual Increase	138,125
<b>Total Un-Funded/New Cost Pressures</b>		<b>1,888,259</b>

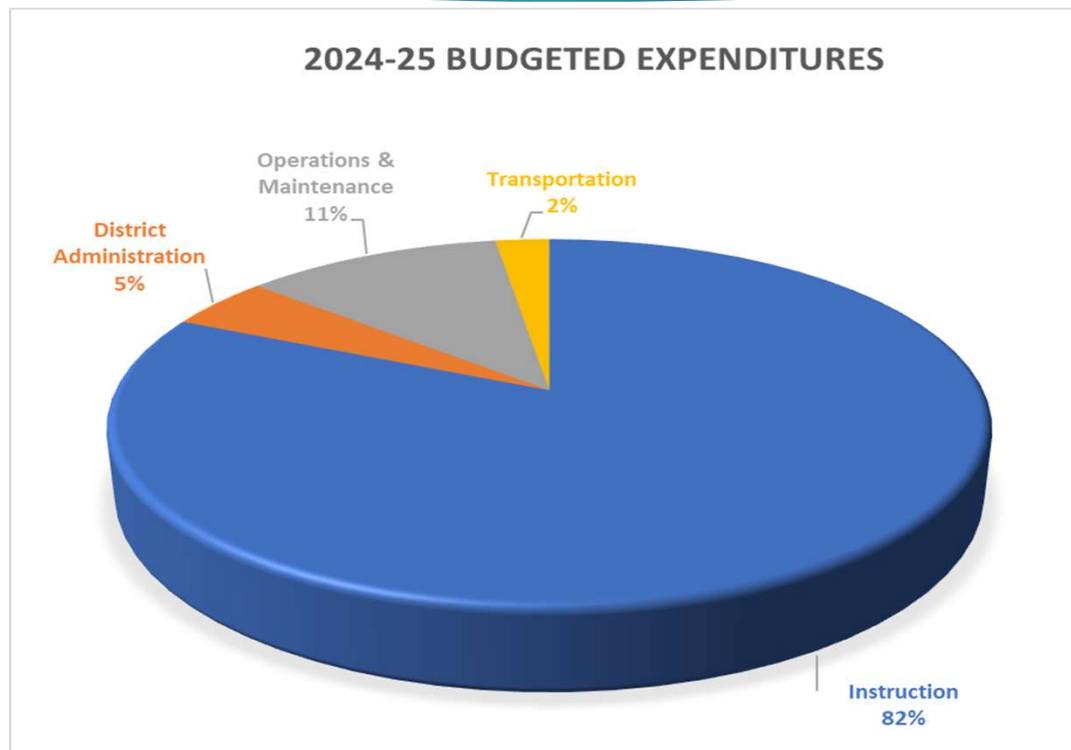
# Operating – 2024/25 Cost Pressures

➤ ***Overall Increase to Projected Expenses for 2024-25 = \$5,271,095***

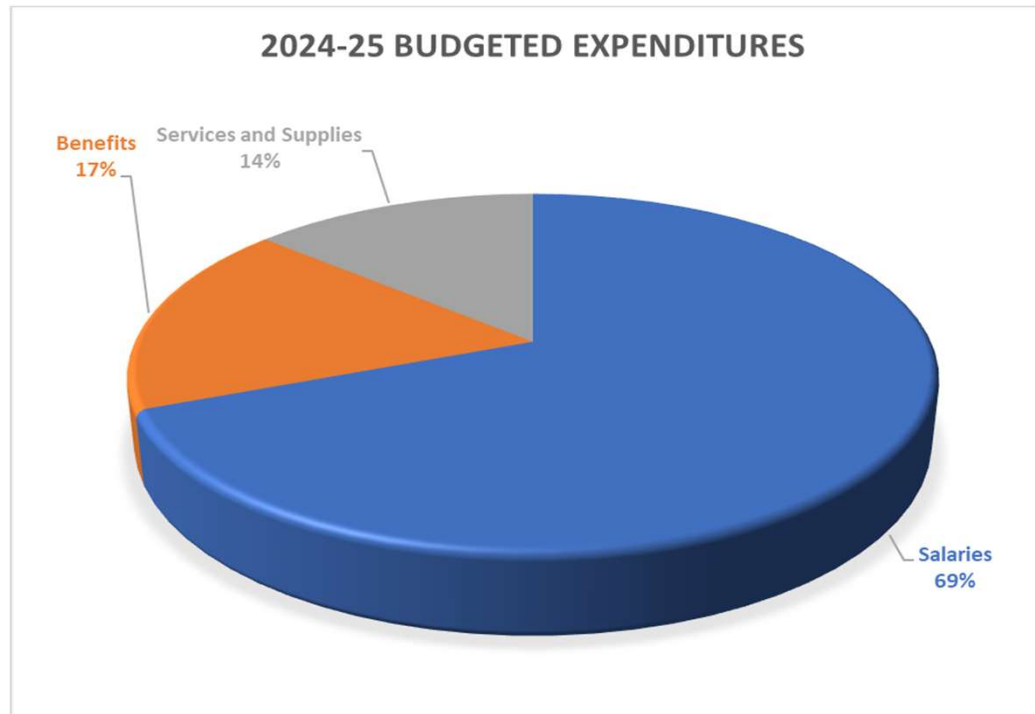
- ▶ **Reduce Transfer to Local Capital by \$1.375M.**
- ▶ **Anticipated Capital Project Submissions may postpone the need for modulars**
- ▶ **Plan to reinstate transfer in 2025/26 budget**

Total Funded Cost Pressures	\$ 4,757,836
Total Un Funded Cost Pressures	1,888,259
Transfer to Local Capital - Reduction	-1,375,000
Overall Total Cost Pressures	\$ 5,271,095

# How The Funds Are Spent

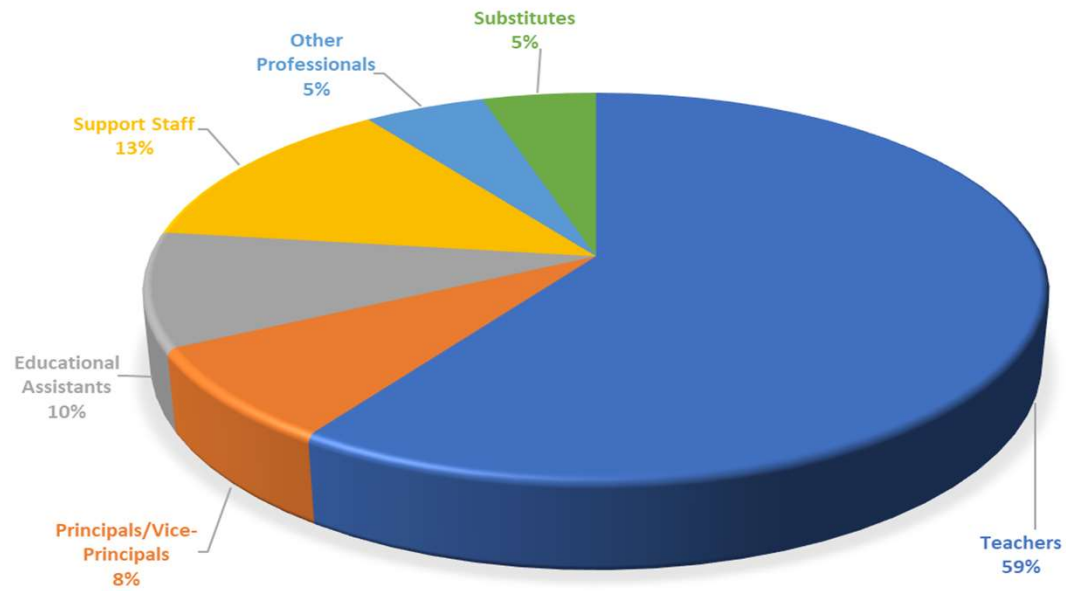


# Expenditures – Operating



# Expenditures – Salaries

2024-25 BUDGETED SALARIES BY EMPLOYEE GROUP



# Preliminary Operating Budget Position

➤ ***Overall Projected 2024/25 Operating Budget Deficit = \$1,004,364***

- ▶ **This Preliminary Budget utilizes prior year surplus to maintain operations in 2024/25**
- ▶ **Recommend further operational budget reviews to reduce reliance on surplus in future budget years**
- ▶ **Realignment of funds to support future Board approved strategic initiatives**

TOTAL REVENUE INCREASES (DECREASES)	\$	4,266,731
TOTAL COST INCREASES (DECREASES)		5,271,095
PRELIMINARY BUDGET POSITION	-\$	1,004,364

# District Operating Contingency Reserve

## Policy 18

---

### **ACCUMULATED OPERATING SURPLUS AND INTERNALLY RESTRICTED FUNDS**

#### **Unrestricted Operating Surplus (Contingency Reserve)**

In conjunction with the Board of Education's review and approval of the annual financial statements, the Board of Education will restrict a portion of accumulated operating surplus for the purpose of forming a Contingency Reserve.

The amount of Unrestricted Operating Surplus at the end of a fiscal year should be a minimum of 1.5% and maximum of 3.0 % of actual Operating Expenses in the fiscal year.



# District Operating Contingency Reserve 2023/24 Budget

**\$1,759,354 = 1.6%**



## School District No. 71 (Comox Valley)

Schedule 1

Amended Annual Budget - Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2024

	Operating Fund \$	Special Purpose Fund \$	Capital Fund \$	2024 Amended Annual Budget \$
Accumulated Surplus (Deficit), beginning of year	5,951,200		34,652,212	40,603,412
<b>Changes for the year</b>				
Net Revenue (Expense) for the year	2,088,154		(2,757,165)	(669,011)
Interfund Transfers				
Tangible Capital Assets Purchased	(375,000)		375,000	-
Local Capital	(5,905,000)		5,905,000	-
<b>Net Changes for the year</b>	<b>(4,191,846)</b>	<b>-</b>	<b>3,522,835</b>	<b>(669,011)</b>
<b>Budgeted Accumulated Surplus (Deficit), end of year</b>	<b>1,759,354</b>	<b>-</b>	<b>38,175,047</b>	<b>39,934,401</b>

# Projected Operating Contingency Reserve 2024/25 Budget

**\$1,800,366 = 1.51%**

2023/2024 Budgeted Accumulated Surplus - Contingency Reserve, end of Year	<b>\$ 1,759,354</b>
2023/2024 Q3 Projected Annual Surplus, end of Year	1,906,400
2023/2024 Anticipated Internally Restricted Funds - Carry Forward Expenses	- 744,000
Anticipated Internally Restricted Funds - Targeting Newly Adopted Strategic Priorities	- 300,000
2024/2025 Use of Unrestricted Reserve to Balance Operating Budget	<b>- 1,004,364</b>
Projected 2024/2025 Budgeted Accumulated Surplus - Contingency Reserve, end of year	<b><u>\$ 1,617,390</u></b>
2024/2025 Estimated Pending Ministry Approval of Other Special Grants (Revenue)	<u>182,976</u>
Projected 2024/2025 Budgeted Accumulated Surplus - Contingency Reserve, end of year	<b><u><u>\$ 1,800,366</u></u></b>

# Projected 2023/24 Internally Restricted Funds

- ▶ **2023/24 \$1.906M projected surplus is estimate only.**
- ▶ **Anticipate restricting \$744K at Year End for one time carry forward commitments into 2024/25**
- ▶ **Anticipate restricting \$300K towards newly adopted Board strategic priorities**

2023/24 - Targeted ICY Expenses Carry Forward	\$	30,800
2023/24 - Carry Forward Projects/PO commitments		360,700
2023/24 - Indigenous Education Targeted Surplus Carry Forward		250,000
2023/24 - School Surplus Carry Forward		2,500
Estimated Pending Liability		100,000
2023/24 Anticipated Internally Restricted Funds	<b>\$</b>	<b><u>744,000</u></b>

## Next Steps

- **May 14 - 22, 2024 – Opportunity for public feedback through SD71 Budget webpage:**

<https://www.comoxvalleyschools.ca/preliminary-budget-process/>

- **May 28, 2024 - Public feedback provided to the Board**  
**Tentative approval of Ministry Template & Bylaw**
- **June 25, 2024 - Last Board meeting to adopt Bylaw if needed**



Questions