

AMENDED REPORT – with additional attachments

ITEM 3.1 Information

File No. 8010

TO: Committee of the Whole
FROM: C. Becker, Secretary Treasurer
SUBJECT: Amended Budget 2019/ 2020

Recommendation

THAT the Amended budget be reviewed and discussed, including options to reduce the budget and avoid a projected deficit.

1. Summary:

The draft amended budget is showing a significant deficit (\$778,000). The deficit is created by a number of issues. ***The revised report printed on January 28th, shows the deficit is projected to \$724,366 primarily due to increased revenue being confirmed.***

In addition, as 80%+ of the budget is due to staffing, the attached summarizes and analyzes enrolment and enrolment changes based on the staffing report submitted to the Ministry each September. A summary is included with a more detailed analysis of the teaching positions.

2. Background:

The amended budget is prepared and must be approved by the end of February. The amended budget factors in changes to funding, confirmation of enrolment, and actual staffing levels. With reduced funding in a few areas, cost overages in other areas and no reserves available, the amended budget is projecting a significant potential deficit. As such, significant changes need to be made immediately to try and prevent an actual deficit.

The meeting is to continue the discussion with the board, and review what can be done immediately.

3. Options:

The ability to make radical changes in January is challenging as this could significantly impact students in the classroom. As such, staff are exploring options that will minimize the impact on classrooms. Staff are also exploring options for significant changes for the 2020/2021 budget to ensure a deficit is avoided for next year.

Staff have identified a few areas in the budget that changes can be made to help reduce the deficit. However, as more than 80% of the budget is related to employee costs, it is difficult to generate any significant budget savings part way through the year due to collective agreement and employment contracts.

The attached Summary of Cost savings options outlines the few areas that cost savings could be made to help reduce the deficit. While a few other costs savings / revenue generating areas may be identified in the next few weeks, at this time \$335,000 is confirmed as a potential cost savings. The most significant

recommendation in this confirmed potential cost reductions would be to fund the District Principal of Aboriginal Education (Indigenous Education) from the Aboriginal Education funding for this year only, reducing other Ab Ed expenses. The goal would be to replace the funds for Ab Ed next year from general operations. This option, and the remaining items, will be discussed more fully during the meeting.

Additional changes to balance the budget – for further discussion:

- To reduce the cost of substitutes. Options are currently being reviewed with the Principals.
- Reduce the SOGI budget. Funds could be replaced next year.
- Draw funds back from Local Capital. This maximum available to draw back to operating if \$400,000. The remaining funds are committed to capital projects.

Considerations for discussion with the 2020/2021 budget:

- Hungry Kids program
- Summer camp
- TTOC on contract positions
- Librarian curriculum time reduction
- Reviewing PVP, Secretary, BSW formulas
- Maximizing class size, respecting class size and composition language in the collective agreement.

4. Analysis and Impact:

- a. Strategic Plan Alignment
- b. Enhancement Agreement
- c. Funding Guidelines, Costing, & Budget Impact

The School District is required to have a balanced budget. As such, the school district cannot budget an annual operating deficit beyond what is available in reserves. As the reserves have been depleted, other than the local capital reserve, there is little room to cover the operating deficit. As such, the budget must be reduced.

The projected operating deficit is \$778,097 after drawing the funds in reserves. **The revised projected deficit is \$724,366.**

Increased revenues:

- ITA Grants \$20,000

Potential spending reductions identified:

- International agent fees \$10,000
- services and supplies 95,000
- Pro D and Travel 60,000
- Substitute costs 50,000
- SOGI 25,000 \$240,000

<i>Expense District AB Ed PVP to targeted funding</i>	<u>\$150,000</u>	
<i>Total Expense reduction</i>		\$390,000
<i>Transfer back from Local Capital</i>		<u>\$314,366</u>
<i>Effect of changes – to balance the budget</i>		<u>\$724,366</u>

- d. Policy, Legislation, Regulation
- e. Organizational Capacity
- f. Risks
 - i. Organizational
 - ii. Reputational
 - iii. Strategic
- g. Benefits
 - i. Organizational
 - ii. Reputational
 - iii. Strategic







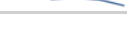






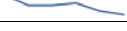
5. Public Participation:

6. Implementation:

7. Attachments:

- a. Staffing and enrolment analysis – *see additional sheet*
- b. 2019/2020 Amended Budget – Operating Expense Summary (ledger sheet)
- c. *Summary of Cost savings – January 28, 2020*
- d. *Operating Revenue Changes – January 28, 2020*
- e. *Operating Expense Changes – January 28, 2020*

Mission Public School District
Employees - Based on the September Report (1530)
Including Classroom Enhancement Funded Positions

	Trend Line	2019	2018	2017	2016	2015	2014
Instruction Employees:							
Teachers							
Regular		287.37	284.55	279.36	249.41	232.52	235.03
Career		7.60	6.60	7.40	6.40	6.57	8.27
Library		12.26	12.10	12.25	12.18	11.14	12.39
Counselling		14.00	13.30	10.07	11.57	8.00	8.46
Special Education		48.60	49.30	34.58	35.90	39.71	39.04
English as a Second Language		5.00	4.00	1.00	2.00	3.06	2.74
Aboriginal Education		2.00	1.50	0.93	1.07	0.88	0.40
		376.83	371.35	345.59	318.53	301.88	306.33
Sp Ed Support							
EA		113.39	114.74	109.57	102.14	100.10	88.04
Support Staff		5.80	6.20	5.30	4.30	5.46	5.76
		119.19	120.94	114.87	106.44	105.56	93.80
Ratios:							
Students / regular instruction		21.88	21.89	22.28	24.16	25.55	25.43
Students / Library		512.97	514.88	508.16	494.75	533.39	482.41
Students / Counselling		449.21	468.42	618.17	520.83	742.75	706.50
Sp Ed Students / Sp Ed Instruction		15.43	14.30	19.35	17.60	14.81	13.01
Sp Ed Students / Sp Ed Support		6.29	5.83	5.82	5.94	5.57	5.42



19/20 Amended Budget

Jan 28, 2020

	2019/20		\$	%	2019/20 Amended		2017/18	2019/20 Amended		2019/20 Amended		
	Amended	Preliminary			Change	Change		Actuals	Change	Change	Actuals	Change
OPERATING REVENUE												
Grants												
Ministry of Education - Operating Grants	61,065,562	60,308,728	756,834	1.25%	58,855,102	2,210,460	3.76%	57,063,995	4,001,567	7.01%	24,595,621	36,469,941
Other Ministry of Education Grants	1,605,951	1,602,341	3,610	0.23%	1,115,415	490,536	43.98%	1,244,102	361,849	29.09%	434,656	1,171,295
Provincial Grants - Other	298,881	298,881	-	0.00%	330,784	(31,903)	-9.64%	357,150	(58,269)	-16.31%	156,523	142,358
Total Grants	62,970,394	62,209,950	760,444	1.22%	60,301,301	2,669,093	4.43%	58,665,247	4,305,147	7.34%	25,186,800	37,783,594
Tuition	2,309,000	2,432,000	(123,000)	-5.06%	2,707,297	(398,297)	-14.71%	2,517,026	(208,026)	-8.26%	2,150,939	158,061
Other Revenue	340,532	340,532	-	0.00%	404,383	(63,851)	-15.79%	451,227	(110,695)	-24.53%	28,295	312,237
Rentals & Leases	262,040	262,040	-	0.00%	179,020	83,020	46.37%	200,241	61,799	30.86%	117,291	144,749
Investment Income	145,000	145,000	-	0.00%	182,214	(37,214)	-20.42%	201,829	(56,829)	-28.16%	64,572	80,428
TOTAL OPERATING REVENUE	66,026,966	65,389,522	637,444	0.97%	63,774,215	2,252,751	3.53%	62,035,570	3,991,396	6.43%	27,547,897	38,479,069
OPERATING EXPENSE												
Salaries												
Teachers	25,958,274	25,189,164	769,110	3.05%	24,989,195	969,079	3.88%	24,207,317	1,750,957	7.23%	10,305,569	15,652,705
Principals and Vice-Principals	3,901,400	3,988,890	(87,490)	-2.19%	3,907,768	(6,368)	-0.16%	3,584,352	317,048	8.85%	1,956,744	1,944,656
Education Assistants	6,354,600	6,113,100	241,500	3.95%	6,004,018	350,582	5.84%	5,940,501	414,099	6.97%	2,037,347	4,317,253
Support Staff	7,548,640	7,308,240	240,400	3.29%	7,006,633	542,007	7.74%	6,439,228	1,109,412	17.23%	3,073,476	4,475,164
Other Professionals	2,159,913	2,175,031	(15,118)	-0.70%	2,052,903	107,010	5.21%	1,895,993	263,920	13.92%	1,082,814	1,077,099
Substitutes	3,072,396	3,073,096	(700)	-0.02%	3,270,084	(197,688)	-6.05%	2,595,388	477,008	18.38%	1,314,592	1,757,804
Total Salaries	48,995,223	47,847,520	1,147,703	2.40%	47,230,601	1,764,622	3.74%	44,662,779	4,332,444	9.70%	19,770,542	29,224,681
Employee Benefits	11,449,237	11,260,568	188,669	1.68%	10,757,422	691,815	6.43%	10,372,238	1,076,999	10.38%	4,174,632	7,274,605
Total Salaries and Benefits	60,444,460	59,108,088	1,336,372	2.26%	57,988,023	2,456,437	4.24%	55,035,017	5,409,443	9.83%	23,945,174	36,499,285
Services and Supplies												
Services	2,025,039	1,915,839	109,200	5.70%	1,968,123	56,916	2.89%	1,768,973	256,066	14.48%	1,213,522	811,517
Student Transportation	19,000	19,000	-	0.00%	35,962	(16,962)	-47.17%	52,642	(33,642)	-63.91%	11,695	7,305
Professional Development and Travel	484,200	490,200	(6,000)	-1.22%	557,662	(73,462)	-13.17%	535,668	(51,468)	-9.61%	289,153	195,047
Rentals & Leases	260,158	260,158	-	0.00%	276,656	(16,498)	-5.96%	111,457	148,701	133.42%	131,280	128,878
Dues & Fees	88,100	88,100	-	0.00%	116,011	(27,911)	-24.06%	74,434	13,666	18.36%	68,272	19,828
Insurance	163,277	155,277	8,000	5.15%	137,810	25,467	18.48%	198,501	(35,224)	-17.74%	147,707	15,570
Supplies	2,586,550	2,166,155	420,395	19.41%	2,555,097	31,453	1.23%	2,539,120	47,430	1.87%	1,400,778	1,185,772
Utilities	1,186,705	1,186,705	-	0.00%	1,145,586	41,119	3.59%	1,055,529	131,176	12.43%	394,632	792,073
Total Services and Supplies	6,813,029	6,281,434	531,595	8.46%	6,792,907	20,122	0.30%	6,336,324	476,705	7.52%	3,657,038	3,155,990
Total Operating Fund Expenses	67,257,488	65,389,522	1,867,967	2.86%	64,780,930	2,476,558	3.82%	61,371,341	5,886,147	9.59%	27,602,212	39,655,276
NET OPERATING FUND SURPLUS (DEFICIT)	(1,230,522)	0	(1,230,523)		(1,006,715)	(223,807)	22.23%	664,229	(1,894,751)	-285.26%	(54,315)	(1,176,207)
Capital Assets Purchased from Operating	-	-	-		(598,500)	598,500	-100.00%	2,379,137	(2,379,137)	-100.00%	-	-
NET SURPLUS (DEFICIT)	(1,230,522)	0	(1,230,523)		(408,215)	(822,307)	201.44%	(1,714,908)	484,386	-28.25%	(54,315)	(1,176,207)
Prior Year Unrestricted Surplus	506,156	0	506,156		914,371	(408,215)	-44.64%	2,629,279	(2,123,123)	-80.75%	506,156	-
Projected Operating Surplus/(Deficit)	(724,366)	0	(724,367)		506,156	(1,230,522)	-243.11%	914,371	(1,638,737)	-179.22%	451,841	(1,176,207)

19/20 Amended Budget Summary of Cost Savings

Jan 28, 2020



Cost Savings Identified (Not Included in Budget)	Amount	Budget
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ITA grants (trades programs)	(20,000)	Revenue - Provincial
International agent fees	(10,000)	Services
International travel	(10,000)	PD & Travel
Supplies/Services - Summit	(40,000)	Services/Supplies
Supplies/Services - Riverside	(20,000)	Services/Supplies
Supplies - Clarke Theatre	(5,000)	Supplies
K-3 Reading	(25,000)	Supplies
Contract Services - Student Services - Vision	(5,000)	Services
Pro-D	(50,000)	PD & Travel
ABED PVP to targeted program	(150,000)	PVP

(335,000)

Other Possible Savings (to be determined):

Local Capital - Uncommitted	(400,000)	Local Capital
Substitute costs	(50,000)	Substitutes
SOGI	(25,000)	Supplies

Future Year Considerations:

- Hungry Kids
- Summer camp
- TTOC on Contract reduction
- Librarian curriculum time reduction

19/20 Amended Budget

Operating Revenue Changes (from Prelim Budget)

Jan 28, 2020

Revenue	(Increase) / Decrease
Operating Grant	
Enrolment - ABED	(56,550)
Enrolment - Alternate program	(22,404)
Enrolment - Cont Ed	(52,276)
Enrolment - DL	102,937
Enrolment - DL (grad transitions)	37,700
Enrolment - ELL	41,860
Enrolment - Regular schools	(9,786)
Enrolment - SPED	(164,800)
Salary differential supplement (teacher)	(333,515)
Other MOE Grant	
Labour settlement funding - CUPE	(250,000)
Mental health grant	(28,500)
Support staff benefits grant	(25,110)
Tuition	
International - Lower student FTE	123,000
Grand Total	(637,444)

19/20 Amended Budget
Operating Expense Changes (from Prelim Budget)
Jan 28, 2020

Expenses	Increase / (Decrease)	
Teacher		
Wage increases	344,110	Funded
Maternity leave adjustment	40,000	
FTE change - MSS (+2)	154,000	
FTE change - HMS (+2)	154,000	
FTE change - Summit (+.6)	46,200	
FTE change - Stave Falls (+.2)	15,400	
FTE change - Silverdale (+.3)	23,100	
FTE change - Dewdney (+.2)	15,400	
FTE change - HPMS (-.4)	(30,800)	
FTE change - Other	7,700	
PVP		
Wage increases	(3,390)	
FTE change - Summit VP	(107,900)	
FTE change - HPMS VP	73,200	
FTE change - ABED District PVP	(88,000)	Funded
FTE change - International DP	38,600	
EA		
Wage increases	122,200	Funded
FTE change - EA	119,300	Funded
Support		
Wage increases	165,500	Funded
FTE change - BSW	22,800	
FTE change - Career Advisor	42,100	
FTE change - Carpenter	63,900	
FTE change - Unfilled or timing with postings	(53,900)	
Other Prof		
Wage increases	33,382	
FTE change - International Director	(48,500)	
Substitute		
(blank)	(700)	
Benefits		
Due to wage, FTE, and other benefit changes	188,669	
Services		
HR - Make a future advertising	3,500	
International - Agent fees	(22,300)	
International - MSP	55,000	
Schools - School cash online licensing	5,000	
Student services - FVDCD contract	4,000	
Transportation - Bus driver training	8,000	
Riverside - VCC contract (Esthetics)	56,000	
PD & Travel		
Due to wage and FTE changes and adjustments	4,000	
International - Student activities	(10,000)	
Insurance		
Transportation - Bus/white fleet	8,000	
Supplies		
ABED - temp offset for funding changes	170,633	Funded
Riverside - Esthetics supplies	25,000	
Schools - Enrolment adjustment	(3,891)	
Schools - Prior year restricted surplus (carry-over)	236,653	Funded
Transportation - Vehicle parts	(8,000)	
Grand Total	1,867,966	
	Funded increases	1,070,396
	Unfunded increases	797,570