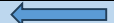


# **2024-2025 BUDGET – DRAFT 1**

JANUARY 24, 2024 BOARD MEETING - OPEN

# PROCESS

BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)					
2024-2025 BUDGET PROCESS					
December 20, 2023 (BOARD APPROVED 2023 12 20)					
Preamble:					
The Board and District Staff are interested in increased engagement in the budget process.					
District Staff see recruitment at an earlier stage in the year as crucial to securing competitive staffing along side neighbouring districts					
Board approval of the budget(bylaw readings) should occur over more than one meeting in order to provide time to understand and seek further information and feedback from Rights Holders, Stakeholders and Constituents.					
Description	Meeting Description/Tasks	Attendees	Date	Time	Location
Regular Open Board Meeting	Process Approval	Board	December 20, 2023	1:00 PM	Dawson Creek
News Release	Board Approves 2024-2025 Budget Process		January 8, 2024		
Invitation	Invitation to Rights Holders, Stakeholders and Public to Strategic Plan and Budget conversation		January 8, 2024		
	Kindergarten Registration Opens <i>Pending Bill 40 Consultation</i>		January 8, 2024		
Regular Open Board Meeting	Draft 1 - Status Quo	Board	January 24, 2024	1:00 PM	Dawson Creek
Strategic Plan/Budget Conversation	Engagement Opportunity to discuss learning in SD59/Ideal State	All	January 24, 2024	5:00 PM	FIXX Grill
Student Symposium	Engagement Opportunity	Students, SLT, Trustees	February 27, 2024	10 am - 2:30 pm	TBD
	3 Year Enrolment Projections Due to Ministry	Staff	February 15, 2024		
Regular Open Board Meeting	Learning Presentation by Senior Team - Opportunities for Focus	Board	February 21, 2024	1:00 PM	Dawson Creek
Regular Open Board Meeting	Draft 2 / First Bylaw Reading	Board	March 13, 2024	1:00 PM	Dawson Creek
	Ministry Funding Announcement	Staff	March 15, 2024		
Regular Open Board Meeting	Draft 3 / Second Bylaw Reading	Board	April 24, 2024	1:00 PM	Dawson Creek
Budget Presentation /Feedback	Engagement Opportunity to discuss budget and alignment to strategic plan	All	April 24, 2024	5:00 PM	TBD
SPECIAL Open Board Meeting	Draft 4 / Third and FINAL Bylaw Reading/ BUDGET APPROVED	Board	May 8, 2024	5:00 PM	TBD
Regular Open Board Meeting	Process Debrief - What Went Well-What to Improve	Board	May 15, 2024	1:00 PM	Tumbler Ridge



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# PRINCIPLES

- Effective Resource Allocation
  - Organizational goal alignment
  - Student/learning centred
  - Sustainable
  - Consultative
  - Diverse input
  - Legislative and Ministry mandates

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## STRATEGIC PLAN PRIORITY 3: SUSTAINABLE USE OF RESOURCES



### GOAL 1:

effectively manage district facilities and anticipate future infrastructure needs in support of education



### GOAL 2:

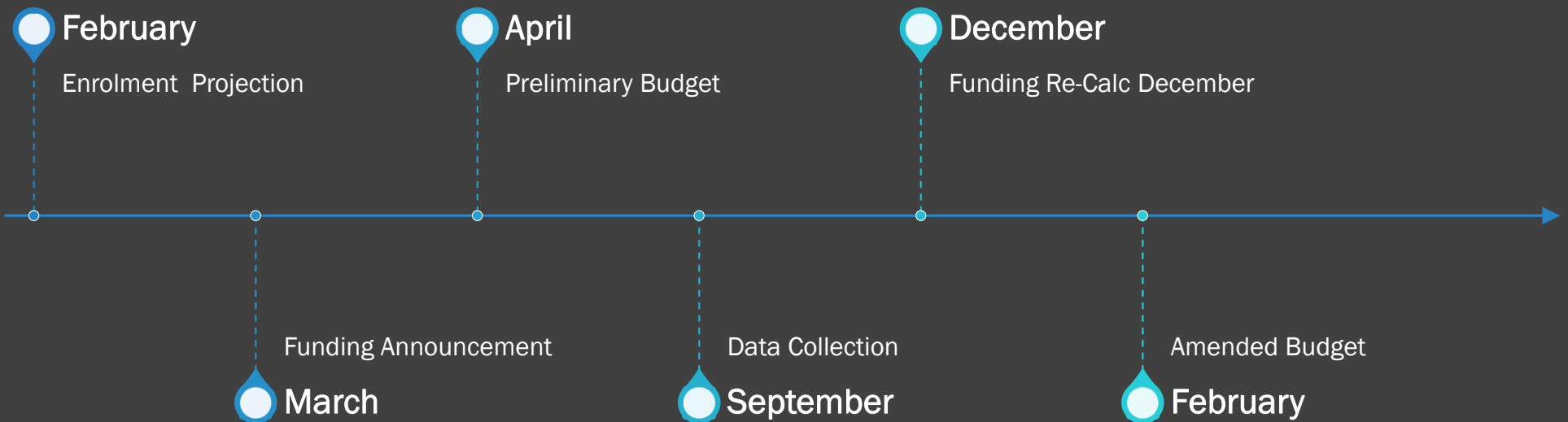
ensure equitable and effective use of resources within all educational programs and initiatives



### GOAL 3:

provide equitable access to technology at schools and educate students and staff to be responsible, problem solving, digital citizens

# ANNUAL BUDGET CYCLE



# ENROLMENT PROJECTIONS

Three-year projections due the Ministry February 15

Draft 1 of the budget: 24-25 status quo 23-24; 25-26 and 26-27 modest growth of 10 FTE per year

## Process

- For each family of schools
  - Grade 12's removed
  - 23-24 grades advanced one year
  - Kindergarten numbers added
  - +/- Historical trends from/to private school, out of province, programs of choice, school leaving before graduation
  - Local knowledge related to the economy
- Collaboration with Principals to estimate K's and to finalize overall enrolment

# REVENUE



## Assumptions:

Ministry of Education Operating grant updated based on enrolment projections using 23-24 per pupil rates

Remainder line items are status quo 23-24



## Things to watch for:

Enrolment changes

Ministry funding announcement in March for per pupil rates

Labour Settlement Funding – separate line item or rolled into the block per pupil funding

Interest rate changes

23-24 surplus projection for use in 24-25 and subsequent years

## ACCOUNTING TREATMENT CHANGES

### Secondments and Other Recoveries:

- Currently
- payments reimbursing SD59 for expenses such as secondments, substitutes and photocopy paper are recorded as revenue.
- revenue incoming offsets the expenses incurred
- expense recovery is not the sale of a good or service
- Overstates revenues and expenses year to year

### Proposed for 24-25

- Cease recording revenue
- Begin reducing expense as payment is received
- Revenue is not overstated
- Expenses accurate as incurred and reduced when expense reimbursement is received; not overstated



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# EXPENSES

- Assumptions:

- Scenario 1

- Status quo 23-24 including
      - Wage and benefit rates
      - Service levels
      - Use of surplus to provide same level of service
    - Increased enrolment can be absorbed by existing staff
  - RESULT: Use of surplus reduces slightly over the three-year planning window because enrolment has increased

- Assumptions:

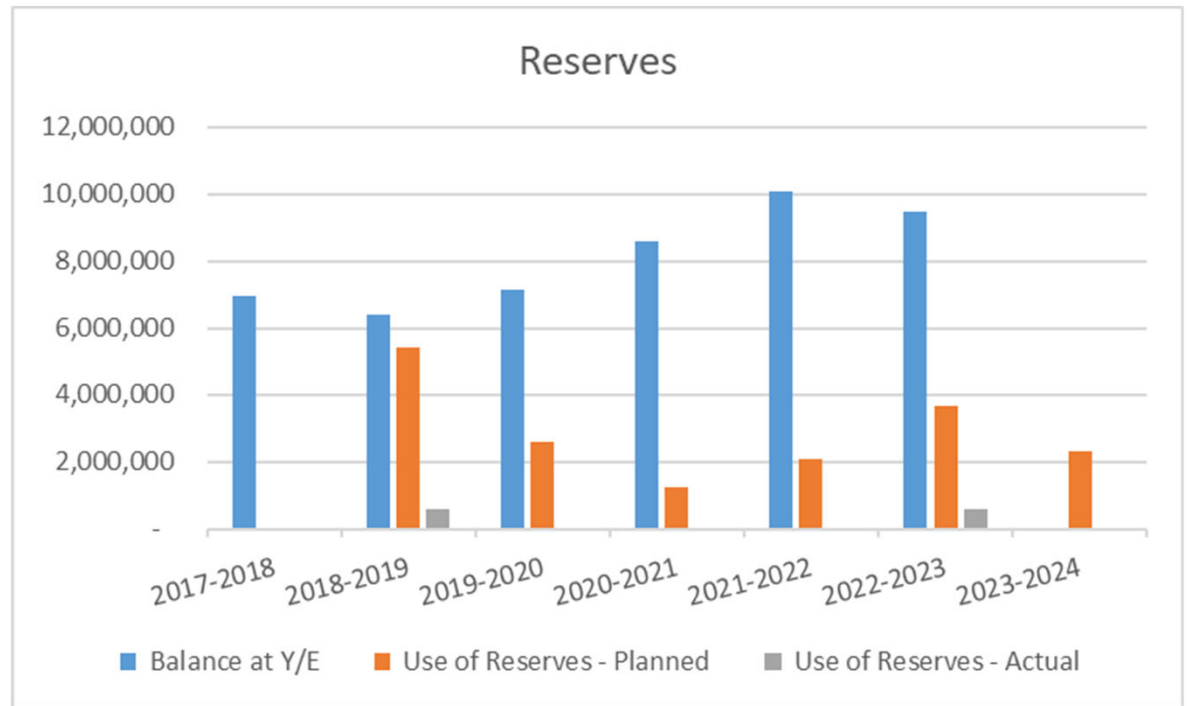
- Scenario 2

- Status quo 23-24 including
      - Wage and benefit rates
      - Service levels
    - Increased enrolment can be absorbed by existing staff
    - Use of surplus reduced to \$0 to demonstrate structural shortfall if all service levels maintained and no surplus available
  - RESULT: Shortfalls in each year of the planning window due to \$0 surplus being available or allocated

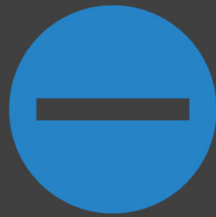
# EXPENSES

- Things to watch for:
  - Enrolment changes resulting in increased or decreased staffing levels
  - Continuation of special purpose funding related to priority populations accessing LINK and food services
  - Collective agreement increases
  - Calculation of CEF (Classroom Enhancement Funds) vs operating teacher FTE
  - Inflationary increases for services and supplies (utilities, post pandemic impacts of shipping and availability)
  - Strategic plan and new initiatives investment

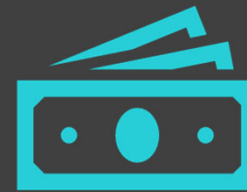
# SURPLUS



# SURPLUS



Of the orange planned surplus use in the previous slide, only the grey actual surplus was required



Area of improvement

Budgeting and monitoring throughout each fiscal year

- Board
- Schools
- Departments

More accurate surplus projections during spring budgeting process

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## SURPLUS: POLICY 5010 ACCUMULATED OPERATING SURPLUS

- Internally Restricted:
  - defined timelines
  - directly related to a board's goal outlined in their strategic, operational and financial plans
  - meet the specific needs of the school district
  - 3 categories under which the Board may designate funds as **internally restricted** surplus:
    - Restricted due to the nature of constraints on the funds
    - Restricted for anticipated unusual expenses identified by the board
    - Restricted for operations spanning multiple school years (not beyond the next two fiscal years)
- Unrestricted:
  - support effective planning, including risk mitigation strategies,
  - maintain a sufficient unrestricted operating surplus balance
  - mitigate financial risks related to unforeseen events and fluctuations in budgetary estimates

# 3-YEAR PROJECTION MODELING

Scenario 1	2023-2024 Amended at Jan 22, 2024	2024-2025	2025-2026	2026-2027
<b>Enrolment</b>	3,693	3,693	3,703	3,713
<b>Total Revenue Estimate</b>	54,591,081	54,591,081	54,677,356	54,768,096
<b>Total Expense Estimate</b>	56,896,452	56,896,452	56,896,452	56,896,452
<b>Surplus/(Deficit) Before Use of Reserve</b>	- 2,305,371 -	- 2,305,371 -	- 2,219,096 -	- 2,128,356
<b>Use of Reserve</b>	2,305,371	2,305,371	2,219,096	2,128,356
<b>Balance</b>	- -	0	0	0
<b>Reserve</b>				
Internally Restricted to Balance				
District	1,934,077	1,934,077	1,847,802	1,757,062
Schools	371,294	371,294	371,294	371,294
<b>Total Internally Restricted</b>	<b>2,305,371</b>	<b>2,305,371</b>	<b>2,219,096</b>	<b>2,128,356</b>
<b>Reserve Available for Future Use</b>	<b>9,493,672</b>	<b>4,882,930</b>	<b>2,663,834</b>	<b>535,478</b>
Reserve Available for Future Use	7,188,301	4,882,930	2,663,834	535,478

# 3-YEAR PROJECTION MODELING

Scenario 2	2023-2024 Amended at Jan 22, 2024	2024-2025	2025-2026	2026-2027
Enrolment	3,693	3,693	3,703	3,713
Total Revenue Estimate	54,591,081	54,591,081	54,677,356	54,768,096
Total Expense Estimate	56,896,452	56,896,452	56,896,452	56,896,452
Surplus/(Deficit) Before Use of Reserve	- 2,305,371	- 2,305,371	- 2,219,096	- 2,128,356
Use of Reserve	2,305,371	-	-	-
<b>Balance</b>	-	2,305,371	2,219,096	2,128,356
<b>Reserve</b>				
Internally Restricted to Balance				
District	1,934,077	-	-	-
Schools	371,294	-	-	-
<b>Total Internally Restricted</b>	<b>2,305,371</b>	-	-	-
<b>Reserve Available for Future Use</b>	<b>9,493,672</b>	<b>7,188,301</b>	<b>7,188,301</b>	<b>7,188,301</b>
Reserve Available for Future Use	7,188,301	7,188,301	7,188,301	7,188,301

## KEY DATES

