



BUDGET ADVISORY COMMITTEE MEETING

Wednesday, April 25, 2018
3:00 pm, School Board Office

Committee Members:

Tim Dunford, Chair
Nancy Borden, Trustee
Elsie McMurphy, Trustee
Dave Eberwein, Superintendent of Schools
Jason Reid, Secretary Treasurer
Scott Stinson, Assistant Superintendent
Mark Fraser, Assistant Superintendent
Megan Cimaglia, Director of Finance

Don Peterson, STA
Elaine Ting, STA
Christine Gaudet, CUPE Local 441
Gord Redlin, SAA
Karen Fello, SAA
Spencer Gray, SISP
Ashley Sonosky, COPACS

AGENDA

1. Welcome
2. Review April 4, 2018 committee meeting notes
3. Review results of Community Budget Meeting and Management Team Working Session
4. Discussion: BAC recommendations to the Board of Education
5. Next Steps: May 7th Special Board Public Budget Meeting



BUDGET ADVISORY COMMITTEE MEETING

Wednesday, April 4, 2018
3:00 pm, School Board Office

Committee Members:

Tim Dunford, Chair
Nancy Borden, Trustee, regrets
Elsie McMurphy, Trustee
Dave Eberwein, Superintendent of Schools,
regrets
Jason Reid, Secretary Treasurer
Scott Stinson, Assistant Superintendent
Mark Fraser, Assistant Superintendent

Megan Cimaglia, Director of Finance
Don Peterson, STA
Elaine Ting, STA
Christine Gaudet, CUPE Local 441, regrets
Gord Redlin, SAA
Karen Fello, SAA
Spencer Gray, SISP
Ashley Sonosky, COPACS

Other Attendees: Chair Victoria Martin, Trustee Wayne Hunter, Trustee Barb Menzies, Diana Oxendale (Manager, Finance and Payroll), and Jacqueline Peacock (CUPE Local 441)

Meeting Notes

Committee Chair Dunford welcomed committee members and reviewed the agenda.

The committee reviewed the February 27, 2018 meeting notes.

ST Reid updated the committee on recent discussions with the ministry regarding the Classroom Enhancement Fund and described the implications for operating fund budget planning. The committee reviewed and discussed the April Facts package including budgeted cost pressures as presented.

The approach to the community budget meeting was discussed including the recommended option for balancing the 2018-19 operating budget.

Next Meeting: April 25, 3:00-5:00pm



**School District 63 Saanich
Budget 2018/19
Community Budget Meeting**

Wednesday, April 11 at 7:00 p.m.
Bayside Middle School
Multi-Purpose Room



Overview of Meeting

- 7:00 pm Introductory Comments
- 7:15 pm Presentation and Q and A
- 7:45 pm Working Session and Report-Out
- 8:45 pm Final Comments and Next Steps
- 9:00 pm Adjourn



Overview of Presentation

- ✓ The Budget Planning Timeline
- ✓ What is a Balanced Budget?
- ✓ The Context for Budget 2018/19
- ✓ Balancing the 2018/19 Preliminary Budget
- ✓ Next Steps
- ✓ Questions and Answers
- ✓ Introduction to Working Session



Budget Planning Timeline

January 25, 2018	Budget Advisory Committee
February 14, 2018	Board Meeting
February 20, 2018	Provincial Budget 2018 released
February 27, 2018	Budget Advisory Committee
March 14, 2018	Board Meeting
March 15, 2018	Operating Funding Announced
April 4, 2018	Budget Advisory Committee
April 11, 2018	Community Budget Meeting
April 18, 2018	Board Meeting
April 19, 2018	Management Team Working Session
April 25, 2018	Budget Advisory Committee
May 7, 2018	Special Board Budget Meeting
May 16, 2018	Board Meeting (final approval)

What is a Balanced Budget?

- ▶ School districts are required to budget for three funds - operating fund, special purpose fund and capital fund
- ▶ The budgetary process focuses primarily on the operating fund, because funding in the special purpose and capital funds are targeted to specific purposes.
- ▶ The school act and ministerial orders require that the operating fund remain in an accumulated surplus position - this means that revenues from all previous years must exceed expenses from all previous years
- ▶ If a school district has accumulated surplus it can be used like savings to increase the budget for a particular year



Preliminary and Amended Budgets

- ▶ School Boards adopt two budgets for each fiscal year:
 - ▶ A preliminary budget is adopted before June each year for the following fiscal year based on forecasted enrolment; and
 - ▶ An amended budget is adopted before February during each year reflecting actual fall enrolment and funding.

- ▶ As funding is primarily enrolment based, the preliminary budget currently under development will be “amended” once fall enrolment is confirmed.

- ▶ The preliminary budget reflects some conservatism to reduce the risk of deploying resources that are not funded.



Operating Fund: Sources of Revenue

2017/18 Budgeted Revenues	
Provincial Grants	\$63,012,590
Tuition	\$4,524,900
Other Revenue	\$5,791,318
Rentals and Leases	\$291,750
Investment Income	\$180,000
Total Revenues	\$73,800,558



Operating Fund: How Revenues are Spent

2017/18 Budgeted Expenses	
Instruction	\$63,157,135
District Administration	\$2,993,313
Operations and Maintenance	\$7,457,349
Transportation and Housing	\$1,270,117
Total	\$74,877,914



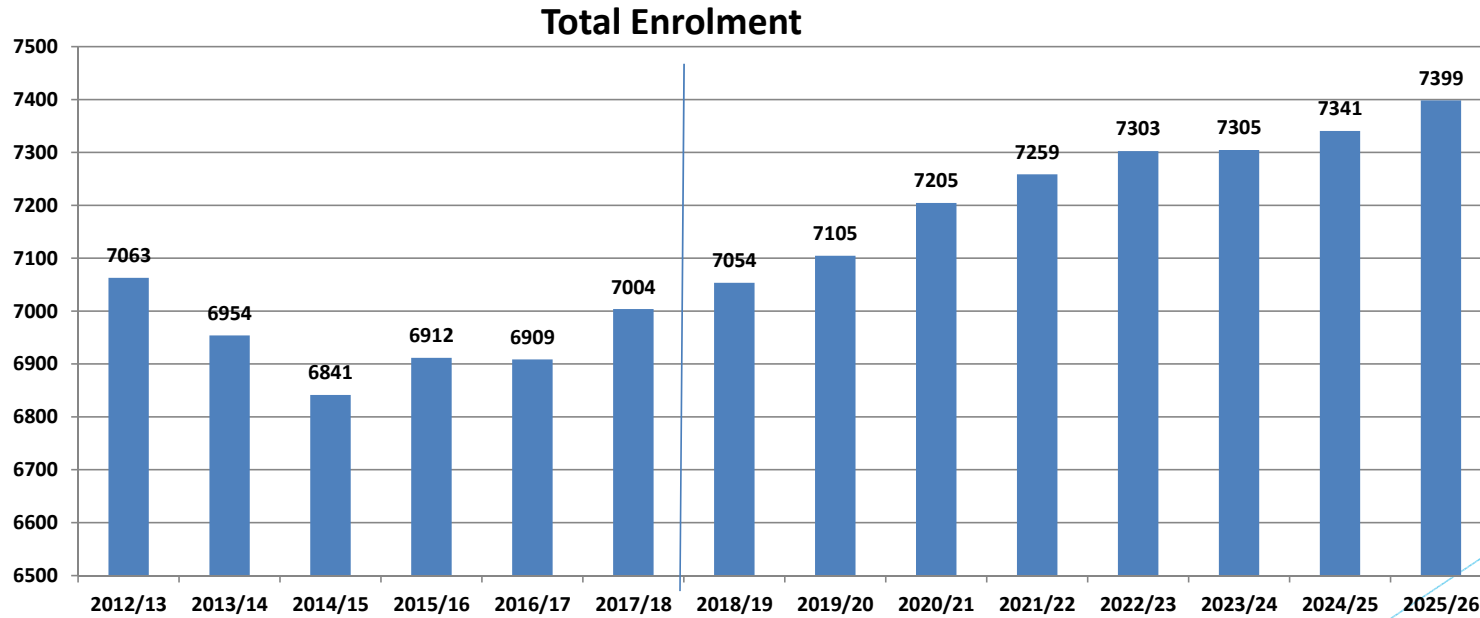
The Context for Budget 2018/19

- ✓ Projected Student Enrolment
- ✓ Restoration of Class Size and Composition Language
- ✓ Education Funding Model Review
- ✓ SD63 Strategic Priorities
- ✓ Accumulated Operating Surplus
- ✓ Estimated 2018/19 Budget Balance



Projected Student Enrolment

After declining for many years, enrolment is now growing





Restoration of Class Size & Composition Language

- ▶ In November 2016, the Supreme Court ruled that language related to class size and composition removed in 2002 from the teachers collective agreement was to be restored
- ▶ For the 2017/18 school year, restoration of the language resulted in the addition of more than 40 teachers. It also resulted in other costs including classroom set-up, facility expansion and administration.
- ▶ The cost of the restoration is funded through the Classroom Enhancement Fund (CEF) reported in the special purpose fund. In 2017/18, the district received \$6.3 million for restoration.
- ▶ While the cost is funded through the special purpose fund, the restoration of the contract language has important implications for balancing the operating fund budget.

Operating Fund Implications of Restoration

- ▶ The district has fewer options for balancing the operating budget because:
 - ▶ with the restored contract language, approximately 50% of the operating budget is allocated to contractually required teaching positions; and
 - ▶ opportunities to find budget savings elsewhere is limited due to significant historical budget reductions to administration and operations.

- ▶ There is greater uncertainty regarding the operating fund budgetary balance because:
 - ▶ there is ambiguity with the allocation of costs and savings between the operating fund and the CEF; and
 - ▶ the quantum of CEF funding is subject to review and approval following the Board's adoption of a preliminary budget.



Education Funding Model Review

- ▶ The Ministry of Education is undertaking a review of the K-12 Public Education Funding model.
- ▶ The Ministry expects that the new funding model will be in place for the 2019/20 school year.
- ▶ While this does not impact the budgetary balance for 2018/19, it means there is uncertainty regarding the district's future structural budget balance.



SD63 Strategic Priorities

The following budget increases (\$468,874 in total) have been proposed because they link to important outcomes identified by the district's strategic planning and risk management processes:

- \$200,000 - Information Technology - Renewal of Infrastructure/Equipment
- \$193,874 - Teacher Leadership Positions
- \$75,000 - Renewal of Communications Platform

Accumulated Operating Surplus

- ▶ Accumulated operating surplus can be used like savings to increase budgeted expenditures for a particular year.
- ▶ An appropriate accumulated operating surplus balance needs to be maintained to reduce budgetary risk and allow the district to more effectively respond to unforeseen events and emerging cost pressures.
- ▶ The district allocated \$500,000 of accumulated operating surplus to contingency reserve in its 2017/18 amended budget. This means \$500,000 of accumulated operating surplus was not allocated to budgeted expenditures.

Accumulated Operating Surplus Cont.

- ▶ At this time, we expect unallocated accumulated surplus to increase from \$500,000 to more than \$1,500,000 because of savings relative to budget.
- ▶ This increase in accumulated surplus is available to fund additional expenditures in 2018/19 if necessary.
- ▶ To the extent that budgetary savings do not persist, funding expenditures by using accumulated surplus is not sustainable.



Estimated 2018/19 Budget Balance

Employer Health Tax (EHT)	\$520,000
MSP Savings	-\$245,000
Other Unfunded Inflationary Pressures	\$533,631
Total Inflationary Pressure	\$808,631
Proposed Budget Increases	\$468,874
Total Budget Pressure	\$1,277,505

Options for Balancing the 2018/19 Budget

Staff Recommendation:

Defer proposed budget increases (for now) and balance the budget by allocating \$808,631 from projected accumulated operating surplus

Reasons for recommendation:

- ▶ Limited options for finding budget reductions
- ▶ Fiscal balance uncertain / Potential for further cost savings
- ▶ Funding formula review - future of funding uncertain



Next Steps to a Balanced Budget

- ◆ Today we are seeking feedback on the following:
 - the approach proposed for balancing the 2018/19 preliminary budget, and
 - the strategic priorities identified.

- ◆ The next Budget Advisory Committee meeting is scheduled for April 25th and will be informed by:
 - information gathered in today's session, and
 - the management team budget session on April 19th.



*Questions and Answers Prior
to Working Session*



Working Session

Question for each of you:

What background and perspective do you bring to this discussion and, given this, what advice would you give to the board?

Please take 5 minutes to consider this question and document your answer in the worksheet provided.

Working Session

At each table discuss the following questions:

- ▶ Do you agree with the approach proposed for balancing the 2018/19 preliminary budget?
- ▶ To the extent the Board is able, where should additional budget be allocated to best support important strategic outcomes and address risk?

Please record in the worksheets provided and plan to report out, briefly, at the end.



Thank you for your support today.

Contacts:

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Secretary Treasurer Jason Reid jreid@sd63.bc.ca

Superintendent Dave Eberwein deberwein@sd63.bc.ca

Budget email box - budget@sd63.bc.ca

School District 63 (Saanich)

Community Budget Meeting – April 11, 2018

Idea Generation Recording Sheet Feedback

Individual Feedback:

What background and perspective do you bring to this discussion and, given this, what advice would you give to the Board?

- School Principal – the current needs of students (social, emotional, mental health and complex learning needs) far surpass the human resources to support. I would encourage the Board to consider EA recruitment and retention. Our EAs are gems and provide incredible support to all of these complex students, however we need many more of them and we need to keep the ones we have.
- Principal in SD63 (public education for 20 years) – conservative – support staff recommendation as outlined by the Secretary Treasurer. I would love to see more money supporting elementary VP, counselling and behaviour support for elementary.
- I am a parent and involved in COPACS – I have attended many community budget meetings and believe the staff know the students and community the best. I feel their recommendation is valid and would support the suggestion to defer the ‘wish list’ items, valued at approximately \$800,000.
- President of the STA – Has the Board considered passing a restoration budget that would seek restoring past program counts, even if it means passing an unbalanced budget?
- Teacher (25 years) – I am excited to see the district have a balanced budget!! I saw tremendous value in having the teacher leader positions at the district level so long ago. A Mark Mahavolich / Paul Ledet / Scott Stinson did SO much to create a culture of showing and shared responsibility within subject areas and across the district. I think it is important to be thinking and working towards reintroducing them in the district.
- Saanich teacher – I sat on the BAC for the last 5 years as treasurer of the STA. Positive that for the first time in 16 years we are not looking at cuts. I think it is a solid plan to put off additions and use the surplus to balance the budget. It still honours our duties as a school district to balance budget.
- Vice Principal, long time teacher and Saanich parent – Besides the described funding amounts and allocations, considerable thought must also be given to the vertical distribution of operational funds. By targeting supports (counselling, LS, IST, custodial, behaviour support) when learners are young, K-5, I believe long term savings and enhanced student outcomes will bring results for our students.
- Library Technician – In my role at Bayside and Parkland this year, I have seen the need for new IT equipment and infrastructure. As a new employee to the district, I have had to adjust to the open source (Zimbra/Ubuntu) environment and it really falls short of needs in a learning environment. I would address these.
- Teacher (25 years) – It has been 16 years since I have experienced the hopeful, optimistic atmosphere that has permeated this school year. I feel that a balanced budget with no cuts would continue this feeling into 2018/19 years.
- IT – I am employed and trained in the information technology field, and as such my main budget interests focus on technology enhancements / advancements and innovation to keep the education system in the district relevant.
- Teacher (4 years) – I worry about using such a large amount of the surplus given the uncertainty of future funding models and would like to see us keeping a reasonable surplus. District Leadership positions are great, but bottom line is that we need more EAs and would rather see the funding used for this.

School District 63 (Saanich)

Community Budget Meeting – April 11, 2018

Idea Generation Recording Sheet Feedback

- I worked for a private school as Controller for 8 years and currently work for the post-secondary finance branch of Advanced Education. Reduce spending and do not dig into savings based on estimate of future windfall. Fundamental change to funding schools to enhance younger learners will pay off in the 5-10 year time frame.
- Working with some of our most vulnerable students, I feel we need to continue to support diversity and inclusion in all our schools.
- Administrator (6 years) and a member of the Technology Implementation Committee. Recommend that we continue to ensure students are at the forefront in our thinking. Keep our strategic priorities in sight. We must balance yearly but plan with a much longer look forward.
- Administrator – 33 years in Saanich – Keep the 200K in the budget so that approximately 1 million comes from the accumulated surplus leaving 500K as contingency. *Assess in September if money can be found/allocated to the teacher leadership/communication platform choices.
- Perspective of admin working in schools and across the district: It is a delicate balance between being able to not make reductions and also not having the additional resources for technology and teacher leadership. I agree with the proposed structure, and my advice is to find new opportunities wherever able.
- School based administration: Easier to add in the fall than to take away. Be more conservative in the spring and add later.
- I come from a School District that had to make substantial cuts year after year. I would like to see a conservative preliminary budget. If after the enrolment numbers are accounted for and there are funds to support, then fund the deferred items.
- PAC member (8 years with 2 as treasurer, 2 as VP and 4 as President) – My suggestion is to maintain a conservative budget. The last eight years have been a struggle to budget and we are now moving in the right direction but we still have a lot of uncertainty.
- Administrator - I think the approach you have recommended is both logical and responsible. I am hopeful that we can revisit some additions in the fall.
- Teacher and parent (30 years) – I have lived through the declining enrolment and lean years. While it's great we have a surplus this year, I agree with the move to be more conservative with the budget and to wait and see what the enrolment is and make adjustments in the fall if there is a surplus. I would like to see the Teacher Leadership and technology plans have an increase in funding if there is a surplus in the fall.
- VP/teacher – I support the teacher leadership allocation with all the funding cuts we have experienced for the last decade plus. We need to keep up the innovative practices.
- Secondary principal – I'm very glad there are no reductions (as in previous years) but rather a pause on adding anything new. I am in favour of the Secretary Treasurer's proposal.
- Budgeting background with respect to long term, cost neutral public services. Public engagement is great if implemented appropriately, but the lack of presentation and elaboration on background of funding model and pressures make it hard to engage people. Advocacy for ability to rely on long term funding is a necessity.
- PAC president – I think you should spend a bit more now that you have more. We need more money for technology and earthquake supplies. It all has to come from PAC and that shouldn't be the case.
- EA (6 years) – I feel priority should be given within the elementary/middle and high schools to receive more social/emotional support. Specifically counsellors, YFCs, psychologists and more EA

School District 63 (Saanich)

Community Budget Meeting – April 11, 2018

Idea Generation Recording Sheet Feedback

presence.

- Administrator (18 years) – I think a year of no cuts is a refreshing change and allows the Board to keep their powder dry or potential 'wish list' investments next year. I support the Staff's recommendation, although I think admin increases (salary and benefits) should be added as wish list items (at worst) or as a budget pressure at best.
- Administrator – Advice would be to weigh in the interest of all players in decision making – community, board, school community.
- Principal DL – Board should consider increases for tech infrastructure and tech staff development to ensure adequate support for the entire district and all necessary equipment / programs / systems to provide best opportunities for students.
- I would advise the Board to be conservative in balancing the budget in case unexpected surpluses don't fully materialise. Also key investment in IT is very important. Saanich is very behind and we must catch up. I also strongly support investment in the music programs across the district.
- I am a Bayside PAC parent with 4 children that have gone through the SD63 school system. I only have appreciation to offer. Thanks for involving the community as well as your openness and transparency.
- Administrator/Curriculum Coordinator - Add teacher leadership for C.S.T.'s in each school; Review and add funds to integrated/assistive technologies such as deconstructed coordination of websites, apps, iPads, chrome books, etc. ; School based champions support district initiatives
- Employee of SD63 for 17 years in various roles. I am pleased with the plan as described which seems to allow for the cautious reintroduction of services
- Elementary school parent. I see much value in EA's and other support staff for students. I do have a small concern about the cost of replacing chrome books etc. when they become obsolete.

School District 63 (Saanich)

Community Budget Meeting – April 11, 2018

Idea Generation Recording Sheet Feedback

Group Feedback:

Do you agree with the approach proposed for balancing the 2018/19 preliminary budget?

- Yes – 8
- No - 0
- If we are in a situation to use the accumulated surplus, we should not be adding new budget increases.
- The intention to not “cut then renew” is a good approach for maintaining/improving district morale.
- We are encouraged by the fact that we are in a place that we can renew programs that we previously removed. We feel that there has been an extensive process to get to this place. We thank Mr. Reid and all involved for their work on this.
- \$500,000.00 contingency
- In theory we agree with the preliminary proposal, however if there is more money in September, we would like a mechanism in place to adjust the proposal and spend the money if it is available.
- There is no certainty with this funding model

School District 63 (Saanich)

Community Budget Meeting – April 11, 2018

Idea Generation Recording Sheet Feedback

Group Feedback:

To the extent that the Board is able, where should additional budget be allocated to best support important strategic outcomes?

- Restore 16 years of cuts in programs such as Reading Recovery, art and music programs, SWOC programs and counselling
- Funding to address SD63's low Indigenous graduation rate.
- Funding to bring SD63's technology into the 21st century
- Support for increasing teacher development
- Increased services for students who require behavioural support (e.g.: School Psychologists)
- Technology enhancement
- Music programs
- Retention and attraction of Educational Assistants
- Model of funding for schools regarding the number of EA's per school based on low incidence students.
- Counselling and behaviour support for elementary students
- Figure out a better process for Remedy
- Closer interface between pre-school and public education
- Review the ALP model (Behaviour vs. mental health)
- More support for students and families (e.g.: EA's, IST's, YFC's and Psychologists)
- Reintroduction of daytime custodians at elementary schools (2 comments)
- Early intervention programs for student engagement, diversity and balance between healthy living and academics.
- Student advocacy, particularly at the middle and secondary grade levels.
- Teacher leadership to support initiatives
- Equitable access to appropriate basic level technology (e.g.: chrome books)
- Communications for emergency preparedness
- iPads/Chromebooks to support the staff in elementary schools
- Teacher leaders in Literacy, Numeracy and Technology
- Provide standard earthquake supply kits for all schools.
- Youth and mental health counselors in elementary schools.
- New/upgraded technology in the schools
- Earthquake/emergency preparedness
- More school psychologists and/or mental health workers
- More psych-ed consults for students
- Technology support to help provide optimum opportunities for students
- Better access to IST's, School Counsellors and EA's to help support both designated and non-designated students
- More supports put in place for Indigenous students (see Northern BC for examples)
- Inflationary costs – potential cost increase for administrators and excluded staff's compensation and benefits.
- Zimbra is fine; no need to fix or replace it. Enough already with the technological expenditures.

School District 63 (Saanich)

Community Budget Meeting – April 11, 2018

Idea Generation Recording Sheet Feedback

- More important: district-wide CUPE hourly wage raise - we will be seeking province-wide ratification in our next contract - like we have over the last several!
- A two-step raise over two years would make this next contact negotiation an easier discussion. We are pretty tired of being the lowest paid CUPE school based support workers in the province! Our employer has been cutting jobs and adding responsibilities on the CUPE side for years - it would be a positive move in recognition of the extraordinary service CUPE provides district-wide. Time to show appreciation and on-going investment in the human resources side!

School District 63 (Saanich)

Management Team Budget Working Session - April 19, 2018

Individual Survey Results

Do you agree with the approach proposed for balancing the 2018/19 preliminary budget?

Yes - 24 (including responses below)

No - 0

Yes, this looks fine to me. There was great feedback from the community meeting.

Yes. It is a reasonable risk-averse approach.

Yes, because I trust the process, however I do have concerns about funding to support students directly (see below).

Yes. I think we need to pay attention to the issue of morale in the district, and the "cuts" and "cuts/slight restoration" cycles of the past several years have damaged that. I believe this is a responsible approach that allows for increases if funding allows them in the fall while protecting a sense of stability (for the first time in many years).

To the extent that the Board is able, where should additional budget be allocated to best support important strategic outcomes and address risk?

Technology: mobile devices, Online learning resources, Curriculum support teacher in each elementary school, Learning support teams: ist, lst,

I feel the level of Indigenous support at Claremont needs to be greater. This should come in the way of at least a .5ft of staffing or a full time EA dedicated to supporting Indigenous learners.

IT infrastructure

technology, in my opinion what is needed for special needs students is more EAs and not necessarily more ISTs, instructional leader teachers at the district level would be good, support with earthquake preparedness

There appears to be a high level of cost and associated management time dealing with replacing staff members on sick leave that seems to be an accepted part of operations. Reducing sick leave to provincial averages would warrant effort at an upfront cost.

School District 63 (Saanich)

Management Team Budget Working Session - April 19, 2018

Individual Survey Results

Additional budget funding should be used to address the significant inadequacy of human resource support that is needed to meet the current and growing diversity and complex physical and mental health needs of our student population.

Our social capital is being rapidly depleted as classroom and support teachers, YFCs, EAs and administrators struggle to manage students with significant challenges safely and effectively without adequate FTE to do so. We need to recruit and retain skilled ISTs, Behaviour Support Teachers (including at the elem level), YFCs (and other mental health professionals), and ensure EA's are in place to support student needs. We need regular, direct nursing support available in our schools to support the increasing responsibility that schools face for students with life threatening medical conditions such as diabetes and severe allergies, and day time custodian time (assigned to schools based on student population).

Keeping staff and students healthy will address strategic outcomes, help to mitigate risk and allow us to focus on leading learning for student success in other areas.

Technology Infrastructure Renewal and Teacher Leadership positions seem good to me. I also consider bringing EA wages up to the same levels as those in neighbouring Districts as an important priority going forward.

DISTRICT IST POSITIONS - especially curricular support (middle/ secondary)
Technology - replacement at Elementary and Middle
Advocacy - all levels

In support of additional tech infrastructure and teacher leadership positions , would also like to see additional counselling and school supports.

Maintaining school programs, counseling time, IST time and unfunded salary and benefit cost pressures

Technology mentors like the other districts have

Technological initiatives

Yes if there is extra money in September

Early Reading Intervention, teacher mentorship programs

IT for digital risk; Learning Services for personal risk

Vulnerable students, students that cannot read or write at middle and secondary, early intervention

Technology / Teacher Leadership positions

I agree with the outlook that we should be more conservative to start with and add on later if need be, especially if we need to hire more EA support (which is invaluable!)

Unfunded cost pressures (salary increases), Technology upgrades, staff training with technology applications and assessment, facility upgrades (especially those that are safety issues - poor field conditions, poorly configured office spaces, emergency response equipment).

Increased IST, YFC, EA time, & Mental Health Supports. In general more support around Learning Services.

School District 63 (Saanich)

Management Team Budget Working Session - April 19, 2018

Individual Survey Results

Consideration of increases for Tech infrastructure and tech staff development to ensure adequate support for the entire district with necessary equipment, programs, systems to provide best opportunities for students.

Increased support for those students who struggle but are not formally designated.