

# Budget Advisory Committee

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**Date:** November 10, 2022

**Presented to:** Budget Advisory Committee Meeting 1

# Traditional Acknowledgement

The Greater Victoria School District wishes to recognize and acknowledge the Esquimalt and Songhees Nations on whose traditional territories we live, we learn, and we do our work.

# Election of Chair

- The Committee is chaired by a Trustee
- The Committee Chair is nominated and elected by TRUSTEES ONLY
- Call for nominations by ballot
- Scrutineers Deputy Superintendent Caldwell and Associate Superintendent Aerts to collect nomination ballots and advise Acting Secretary-Treasurer
- Acting Secretary-Treasurer will ask nominees if they accept or decline nomination
- If only one trustee accepts, Chair is acclaimed
- If two or more trustees accept, call for election by ballot
- Scrutineers Deputy Superintendent Caldwell and Associate Superintendent Aerts to collect election ballots and advise Acting Secretary-Treasurer
- Announcement of Committee Chair
- Acting Secretary-Treasurer passes the gavel to the Committee Chair

# Introductions

- Tell us about yourself
  - Your name
  - Group you are representing
  - Position in the group you are representing
  - School(s) or site(s) you are associated with, if any
  - Where you are from
  - A bit about your background
  - Why you volunteered to participate in the Budget Advisory Committee
  - What you're hoping to offer and to gain from participation

# Values/Guiding Principles

- On page 2 of your agenda pack-up you will find the values/guiding principles approved by the Board last year
- Values
  - Something that you stand for and strongly believe in. What motivates you to act one way or another.
  - Subjective, personal, emotional, and arguable.
- Guiding principles
  - What guides organizations in all circumstances, irrespective of changes in goals, strategies, or leadership.
  - Objective, factual, impersonal, and self-evident because they are indisputable.

# Terms of Reference

- On page 4 of your agenda pack-up you will find the Terms of Reference approved by the Board last year
- Purpose
  - Why
- Composition & Operations
  - Who and How
- Duties & Responsibilities
  - What
- Accountability

# Values/Guiding Principles and Terms of Reference

- In small groups, choose a note taker and someone to report out
- Values/Guiding Principles Discussion (10 minutes):
  - Are they relevant in year 2? Are there any edits required?
  - How will these statements help the budget process?
  - How do you see the Committee's work helping to uphold these statements?
- Terms of Reference Discussion (5 minutes):
  - Do we have the right people at the table? Are we missing anyone?
  - How can the Committee can function effectively under the Terms of Reference?
  - If the Committee's duties and responsibilities are achieved, will you have fulfilled your personal reasons for participating on the committee? If not, why not?

# Values/Guiding Principles and Terms of Reference

- Small groups to report out to the larger group (10 minutes)



# April 2023 Deadline

- On page 9 of your agenda pack-up you will find a memo regarding the importance of the Board's approval of the 2023-2024 Preliminary budget by April 6, 2023
- Importance of the deadline
  - Collective agreement obligations
  - Collaboration
  - Stability for school staff and Principals/Vice-Principals
  - Efficiency of workflow for District Administration
  - Optimal planning and preparation time for staff before school starts
  - Assists in achieving a more seamless start up

# Budget Development

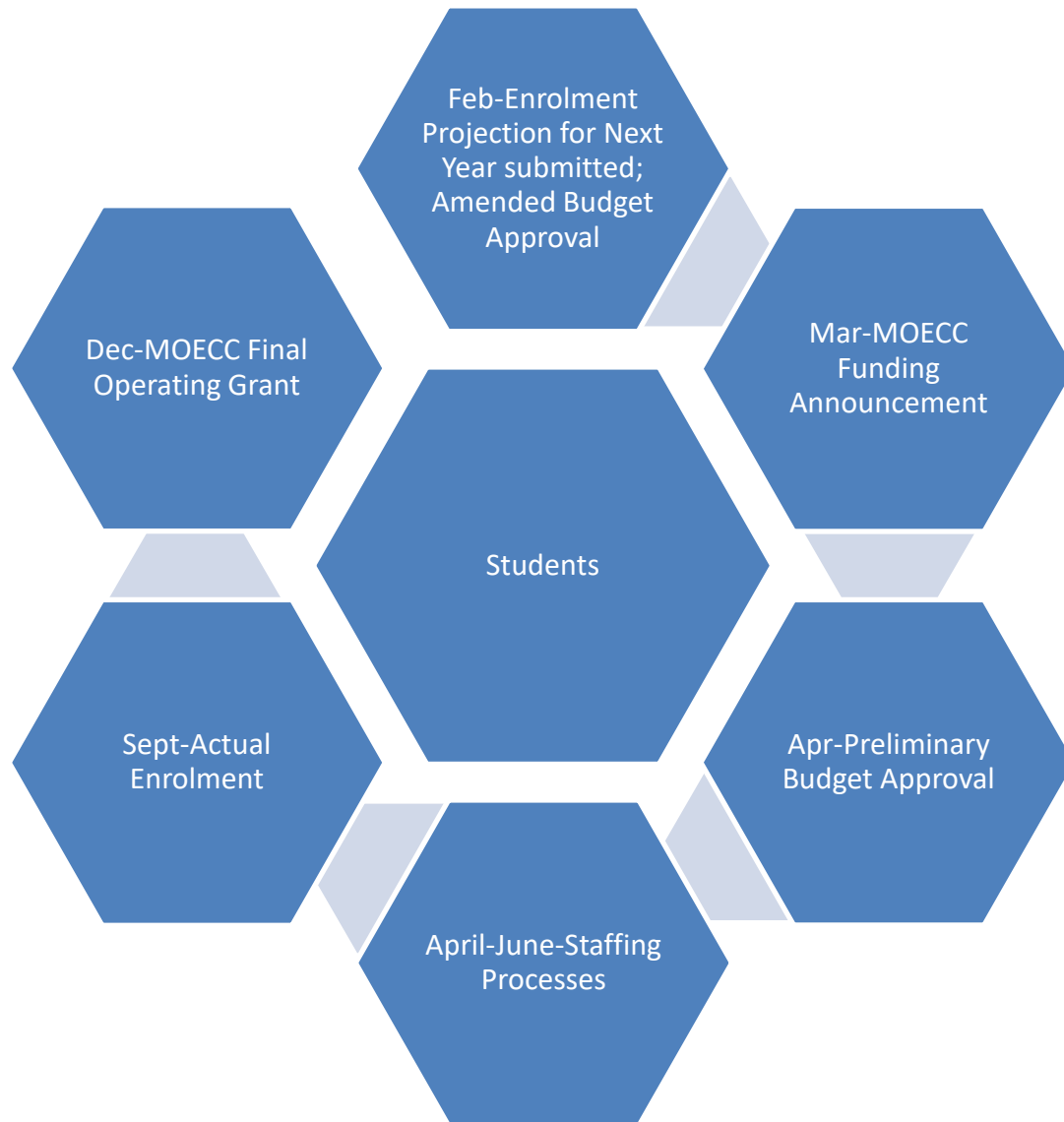
- On page 10 of your agenda pack-up you will find a memo providing an overview of the Budget Development Process
- Careful consideration is taken when preparing enrolment projections; projections are prepared in December/January and submitted to the Ministry of Education and Child Care in February
- The enrolment projections drive Ministry funding, school-based staffing and supplies

# Budget Development

- Any funding announced after the Ministry's March funding announcement is included in the Amended Annual Budget
- Department budgets are created in collaboration with department heads
- The five-year capital plan drives the Capital Fund budget
- Only Special Purpose Funds announced in March are included in the Preliminary Budget
- The budget is balanced through reductions/additions of expenditure items and/or appropriated surplus from prior years

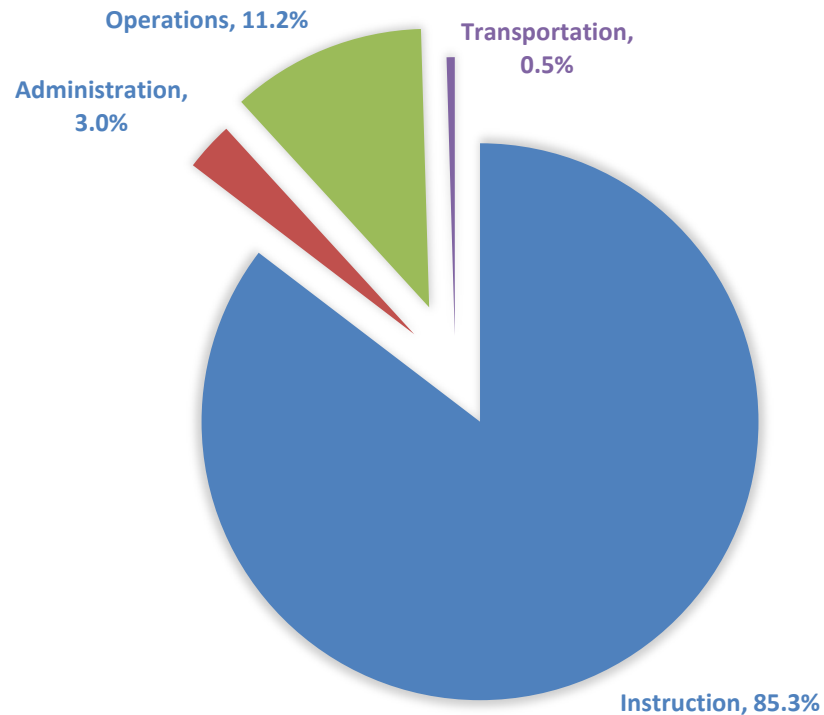
# Budget Orientation

- On page 13 of your agenda pack-up is the 2022-2023 Preliminary (Annual) Budget
- The Ministry provides school districts with Financial Statement, Annual Budget and Amended Annual Budget templates; ensures consistent reporting across all school districts in the Province
- There are three funds:
  - Operating Fund Schedules 2 – 2C (pack-up pages 19-23)
  - Special Purpose Fund Schedules 3 – 3A (pack-up pages 24-26)
  - Capital Fund Schedule 4 (pack-up page 27)
  - The three funds are consolidated in Statements 2 – 4 (pack-up pages 16-19)



# Budget Cycle

# Operating Expenses (Schedule 2C)



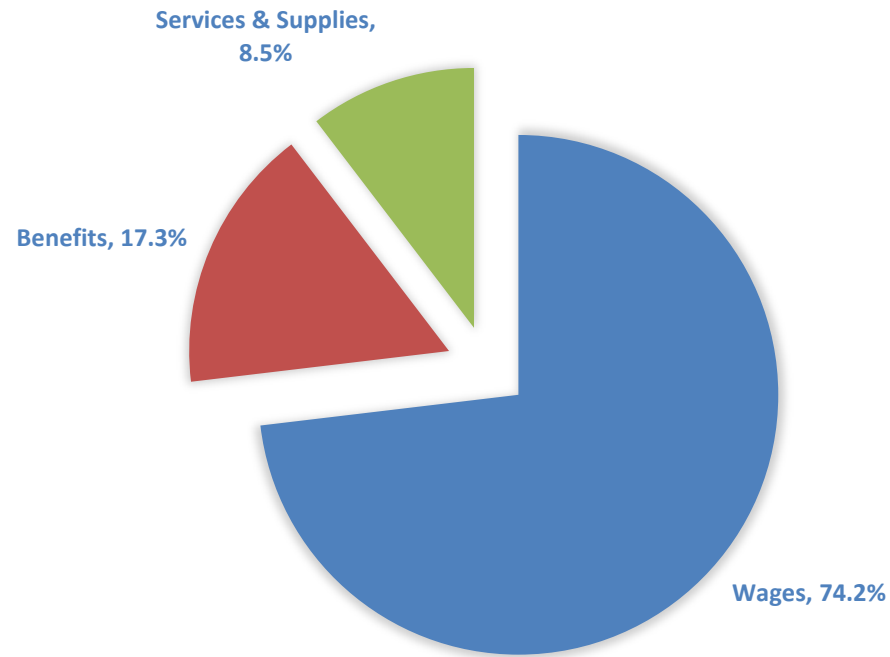
Instruction – relates to **delivery of learning experiences**: Teachers, Principals and Vice-Principals, Educational Assistants, technology for the classroom, textbooks, curricular and extra-curricular travel

District Administration – relates to **running the district**: Superintendent, learning and inclusion leaders, finance, human resources, payroll, software, legal, audit

Operations and Maintenance – relates to the **maintenance and upkeep of buildings, grounds and technology**: plumbers, electricians, carpenters, custodians, groundspeople, computer technicians

Transportation and Housing – relates to **getting students to and from school each day** bussing staff, contractors and trips

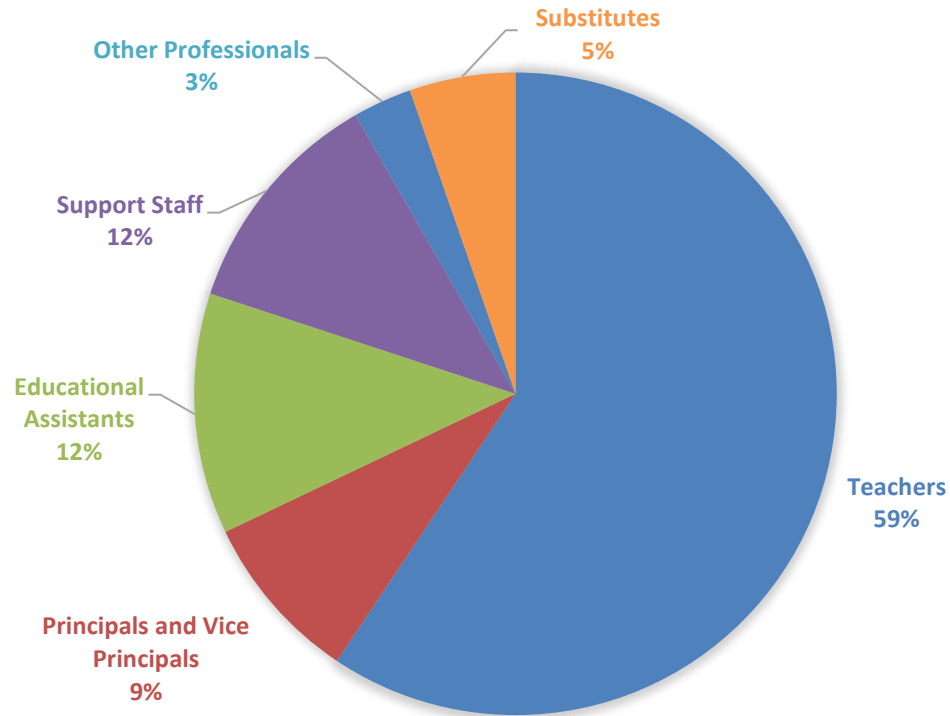
# Operating Expenses



Wages and benefits make up approximately 91.5% of the budget

Everything else (services and supplies) such as technology, textbooks, fuel, travel, toilet paper, library books, etc. makes up the remaining 8.5%

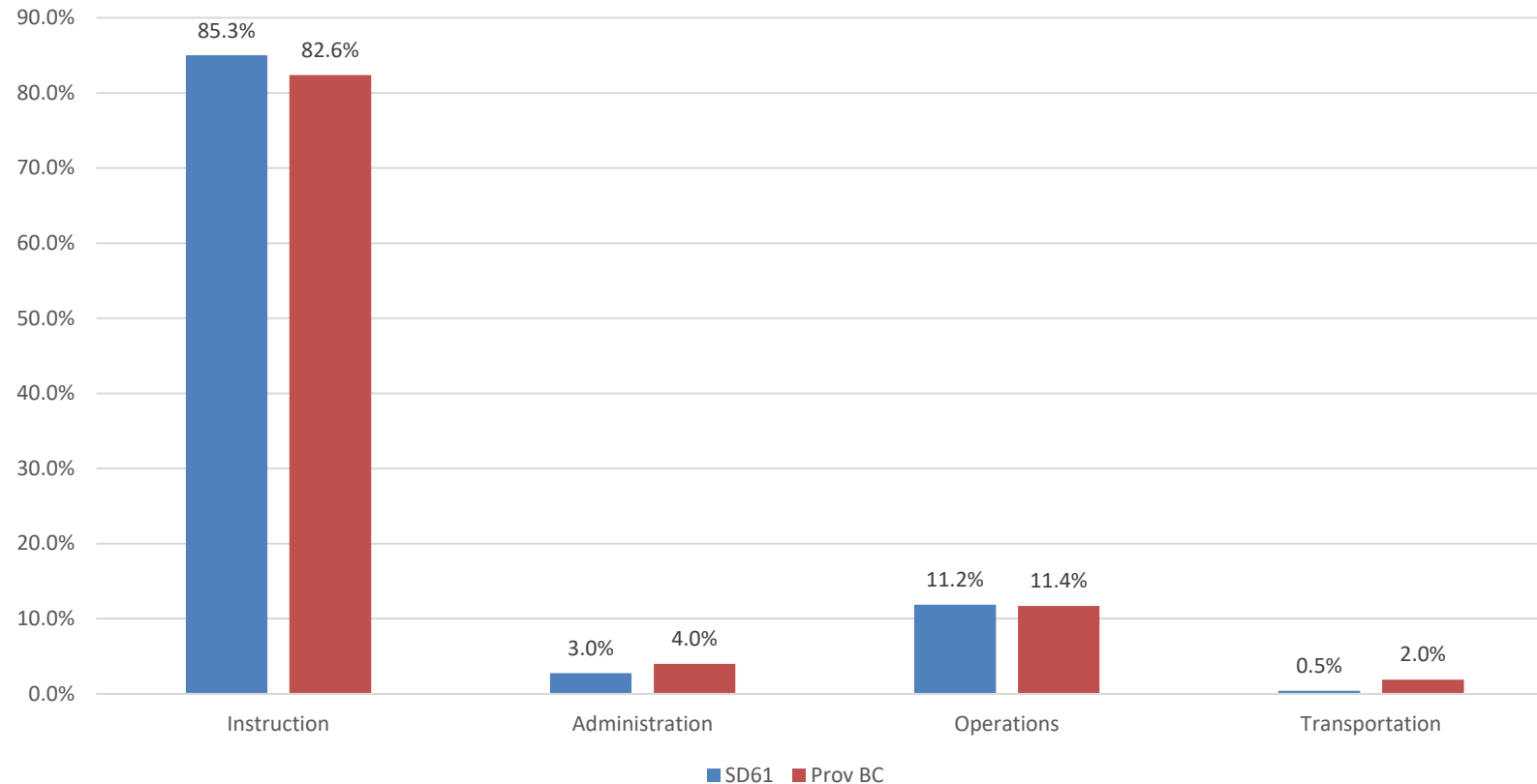
# Operating Expenses



- Education is a service, therefore most of the wages paid are to employees directly supporting students in schools and classrooms; teachers, counsellors, Principals and Vice-Principals and Education Assistants. These employees account for **80%** of total wages.
- Supporting the work in classrooms are secretaries, trades, custodians, computer technicians, superintendent, accounting staff, etc. These employees account for **15%** of total wages.
- When employees are absent and require a replacement, a substitute is brought in to cover their work. These employees account for **5%** of total wages.



# How Do We Stack Up?



# Special Purpose Funds - Ministry

- Provincial Resource Programs: Ledger School, Provincial Inclusion Outreach, Special Education Technology (SET-BC)
- CommunityLINK - Learning Involves Nutrition & Knowledge
- Federal French (OLEP)
- Ready, Set, Learn
- StrongStart
- Learning Improvement Fund
- Annual Facilities Grant
- Classroom Enhancement Fund

# Special Purpose Funds - Other

- School Generated Funds
- Scholarships and Bursaries
- Estate Trust

# Capital

## Local Capital

- Spending requires Board approval
- Examples include equipment, such as technology device replacement and network infrastructure, and contributions towards capital projects
- Use of Local Capital can be planned as a recurring expense each year, or on a one-time basis depending on available surplus and emerging needs

## Ministry Restricted Capital

- Funding approved on a project-by-project basis
- Projects submitted each June in the District's Annual 5-Year Capital Plan
- Spending requires Ministry approval
- Examples include playgrounds, buses, school enhancement, seismic
- Expectation that districts will contribute some reserves to approved capital projects

# Capital Planning Principles

- Safety
- Enrolment & Capacity
- Existing Building Condition
- Climate
- Funding Categories Available

# Surplus – Year End 2021-2022

Projected February 2022	\$ 7,066,216
Actual June 30, 2022	<u>8,218,621</u>
<b>Net Increase (0.52% of Operating Expenses)</b>	<b><u>\$ 1,152,405</u></b>

# Surplus

Description	Actual 2021-2022	Actual 2020-2021	Variance	Actual 2021-2022	Est. 2021-2022	Variance
School Funded Balances	1,407,776.00	1,653,133.79	-245,357.79	1,347,625.00	1,545,000.00	-197,375.00
School Funded Balance Exceeding Reserve	-60,151.00	-42,257.00	-17,894.00	0.00	0.00	0.00
The Link	76,694.00	80,000.00	-3,306.00	76,694.00	80,000.00	-3,306.00
International Education	0.00	280,000.00	-280,000.00	0.00	250,000.00	-250,000.00
Continuing Education	0.00	1,812.97	-1,812.97	0.00	0.00	0.00
PO Commitments	1,273,565.00	618,487.00	655,078.00	1,273,565.00	630,000.00	643,565.00
Department Carryforwards (Restricted)	1,719,483.00	2,840,184.00	-1,120,701.00	1,719,483.00	1,804,431.00	-84,948.00
Year 1 of 5 Network Infrastructure Replacement	0.00	406,350.00	-406,350.00	0.00	0.00	0.00
Year 2 of 2 Shops Upgrade	0.00	350,000.00	-350,000.00	0.00	0.00	0.00
Classroom Portable	0.00	200,000.00	-200,000.00	0.00	0.00	0.00
Carry Forward—Dept CF (Unrestricted)	0.00	0.00	0.00	0.00	555,833.00	-555,833.00
Carry Forward—International (Unrestricted)	0.00	0.00	0.00	0.00	233,311.00	-233,311.00
Carry Forward—Surplus to Balance Budget	2,300,000.00	4,837,387.00	-2,537,387.00	2,300,000.00	0.00	2,300,000.00
Carry Forward—Reserve	1,172,813.41	1,542,640.79	-369,827.38	1,172,813.41	1,542,641.00	-369,827.59
Carry Forward—Reserve International	328,441.00	425,000.00	-96,559.00	328,441.00	425,000.00	-96,559.00
<b>TOTAL</b>	<b>8,218,621.41</b>	<b>13,192,738.55</b>	<b>-4,974,117.14</b>	<b>8,218,621.41</b>	<b>7,066,216.00</b>	<b>1,152,405.41</b>

# \$8.2m Surplus

## No discretion:

- \$4.4m – contractual, externally targeted, school funds
- \$2.3m – balanced the 22-23 budget
- \$1.5m reserve

## Discretion:

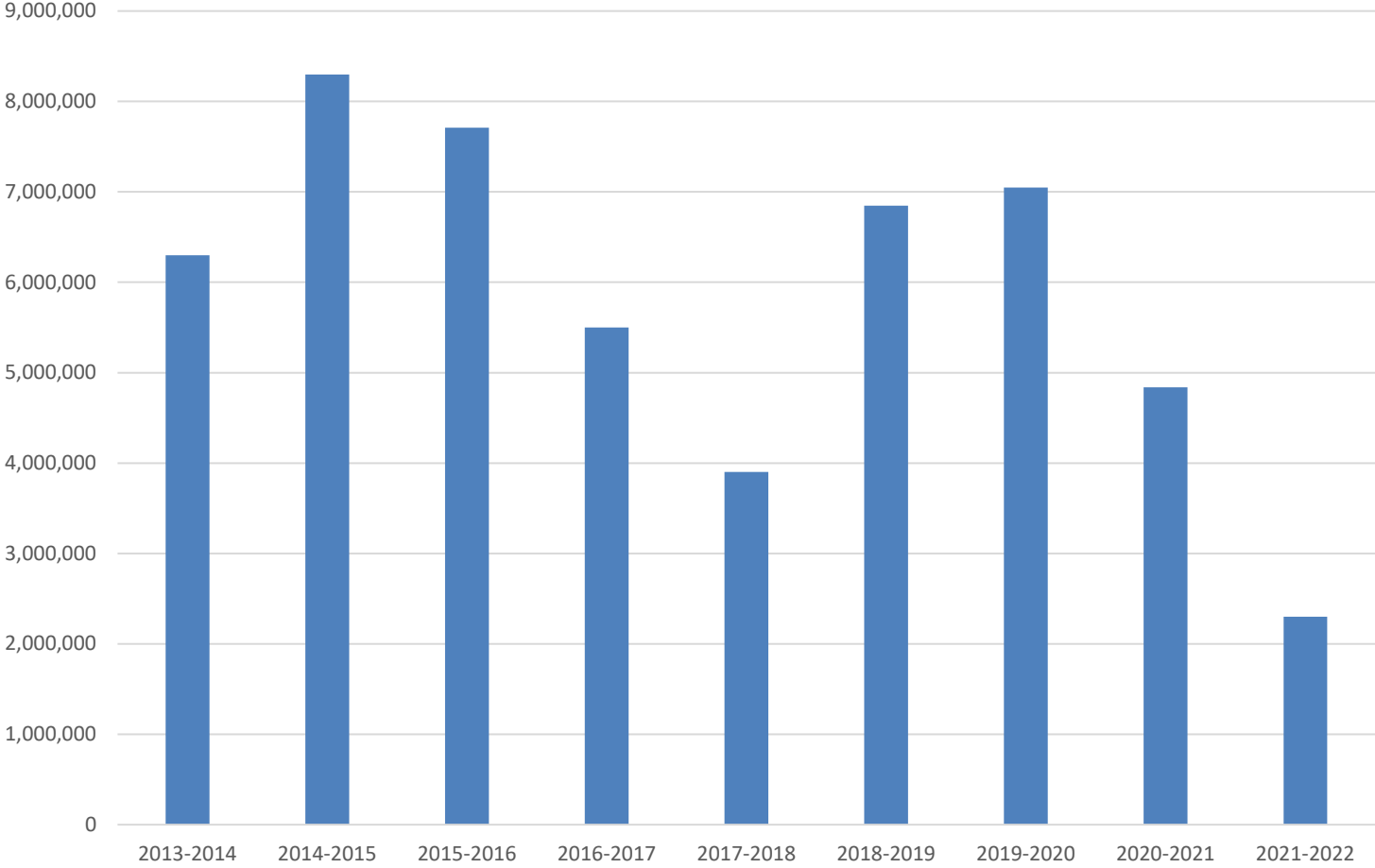
- None



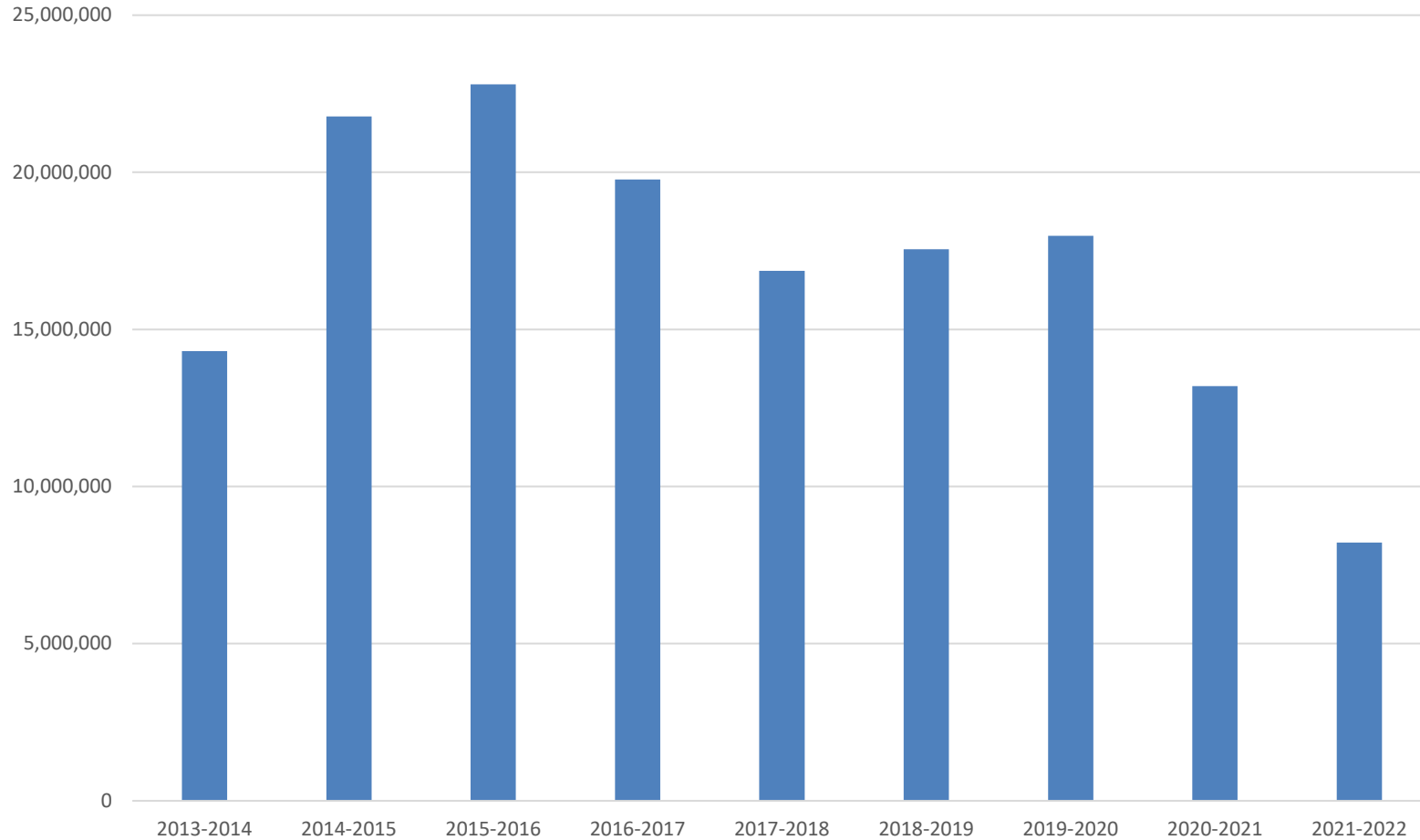
# Surplus History

Year	Unspent Schools	Unspent District	Purchase Order Commitments	COVID Contingency	Budgeted in Future Years' Budget	Reserve	Infrastructure	Unrestricted Operating	Total
2013-2014	4,966,701	2,507,438	530,882	-	6,300,000	-	-	-	14,305,021
2014-2015	6,108,287	2,579,856	682,969	-	8,300,000	-	-	4,104,554	21,775,666
2015-2016	5,735,930	3,750,175	961,965	-	7,710,764	-	-	4,641,593	22,800,427
2016-2017	5,379,427	3,729,737	1,385,806	-	5,500,000	-	-	3,774,594	19,769,564
2017-2018	4,246,216	5,307,670	1,018,775	-	3,900,000	-	-	2,386,696	16,859,357
2018-2019	3,400,360	4,843,799	419,972	-	6,845,754	-	-	2,037,796	17,547,681
2019-2020	2,574,310	5,207,301	560,082	2,561,247	7,046,806	-	-	29,582	17,979,328
2020-2021	1,972,690	2,840,184	618,487	-	4,837,387	1,967,641	956,350	-	13,192,739
2021-2022	1,424,319	1,719,483	1,273,565	-	2,300,000	1,501,254	-	-	8,218,621

# Surplus to Balance Next Year



# Surplus History - Overall



# Reserves – June 30, 2022

## Operating Reserves

District	\$ 1,172,813
International Education	328,441
<b>Total Operating Reserves (0.69% Prior Year Operating Revenue)</b>	<b>\$ 1,501,254</b>
<b>Local Capital Fund</b>	<b>\$ 3,477,091</b>
<b>Ministry of Education and Child Care Restricted Capital</b>	<b>2,980,325</b>
	<b>\$ 6,457,416</b>

# Surplus – Ministry Policy

- Boards are required by the School Act to prepare a balanced budget
- Boards are permitted to carry forward unspent operating budget at year end
- Boards must develop, publish and maintain a local policy that describes how they will engage with their local community, education partners and local First Nations and Métis Nation BC on the management of board operating surplus
- Boards should plan to engage in public discussions with stakeholders and community partners, to discuss why boards have an operating surplus and how it will be used to support the boards' strategic plans, operational needs and enhanced educational outcomes for students

# Surplus – Ministry Policy

- Policy 3170 – Operating Surplus:
  - <https://www.sd61.bc.ca/our-district/documents/name/policy-3170-operating-surplus/>
- Three categories of Internally Restricted Operating Surplus:
  - Restricted due to the nature of constraints on funds
  - Restricted for anticipated unusual expenses identified by the Board
  - Restricted for operations spanning multiple school years
- Restricted for future capital cost share
- Unrestricted operating surplus (contingency); goal of 2-4% of operating revenue

# Financial Statement Discussion & Analysis Report

- The Financial Statement Discussion & Analysis Report (FSD&A) can be found on page 28 of your agenda pack-up
- The District published its first FSD&A Report for the year ended June 30, 2022
- The report is intended to provide additional context to readers of our financial statements
- For example, you can go to sections 5.4 Reserves or 6.6 Reserves – Operating and Capital Balances to see additional details

# Work Plan

- **Topics**
  - Topics from 2022-2023 are on pages 63 & 64 of your agenda pack-up
- **Sequence**
  - When do you want to hear about various topics?
- **Experts & resource people**
  - Who can give you a good and diverse sense of what the topic is and its impacts?



# Work Plan

- Take a few minutes to think about questions you have about the budget or areas where you lack understanding
- In small groups, choose a note taker and someone to report out
- Discussion (10 minutes):
  - Topics to revisit
  - New topics to explore
  - Emerging opportunities and pressures
  - For each topic identified, indicate resource people or experts who should be invited to future meetings who can inform the committee on that topic
- Small groups to report out to the larger group (5 minutes)

# Take Away

- What is your biggest take away from today's meeting?
- What will you be sharing with your members between now and the next meeting?

# Next Meeting

- December 8, 2022 at 6:00pm (Microsoft Teams)
- Would you prefer online or in person format for future meetings?