

## SCHOOL DISTRICT No. 23 – BOARD COMMITTEE REPORT

COMMITTEE: Finance and Legal Committee DATE: January 20, 2010

CHAIRPERSON: Trustee G. Given STAFF CONTACT: L. Paul, Secretary-Treasurer  
E. Sadlowski, Director of Finance

### Attendees:

Trustee G. Given (Chairperson)  
Trustee G. Scanlan (Committee Member)  
Trustee J. Watson (Committee Member)  
Trustee R. Cacchioni  
Trustee M. Baxter  
Trustee A. Hunt-Binkley

Staff:  
L. Paul, Secretary-Treasurer  
E. Sadlowski, Director of Finance  
H. Gloster, Superintendent  
T. Beaudry, Assistant Superintendent (arrived at 2:05)  
D. Carmichael, Finance Manager  
M. Essler, Executive Assistant (Recorder)

### Partner Group Representation:

COPAC Shelley Kvamme-MacDonald, Treasurer  
COTA Alice Rees, President (arrived at 1:15)  
COPVPA Sent regrets  
CUPE Bill Zeman, President  
DSC No representative

### Action Items

#### 1. Review of District and School Budgets - Updates

The Superintendent provided information on the Admin Council meetings held on January 14 and 15, 2010 where each Director's budget was reviewed line by line. The information provided to each Director was divided into discretionary, non-discretionary, staffing, funded through dedicated revenue and funded through carry forwards. Each Director was requested to consider how they could reduce their budget by 4% and discussion took place on the impact of the proposed reductions. Accounts considered non-discretionary include areas such as insurance, telephones, utilities and funds received through a dedicated revenue source. At the Superintendent's Meeting held the morning of January 20, 2010 administrators were requested to follow the same process and discuss where a 4% reduction in their budgets could occur. Principals were asked to consider efficiencies that could be created (i.e. common timetable at secondary schools, use of technology, Distance Learning program). All feedback received will be reviewed by the Superintendent when consideration is given to the Superintendent's Budget Recommendations. Discussions will take place with the individual Principals on the surplus some schools have accumulated. The Director of Finance provided a PowerPoint presentation titled "School District No. 23 2010/2011 Budget" which will form part of the public presentation on February 1, 2010. Included within the presentation was information on funding pressures both provincially and within School District No. 23. The \$6,000,000 anticipated budget shortfall could be distributed as \$2,160,000 reduction at the District level and \$3,840,000 at the School level.

2:05 The Assistant Superintendent arrived.

The Director of Finance provided to the Committee a report on the provincial 2009/2010 Annual Budget Operating Expenditures by Category. School District No. 23 has a per pupil expenditure of \$7,966 which is the lowest across the Province.

#### 2. Board Governance Budget Review

The Director of Finance reviewed the current Board Governance budget. The \$10,000 proposed reduction is after the removal of the carry forwards. The Director of Finance provided an overview of each account line by line. The Committee discussed the role and value of the BCPSEA and BCSTA as related to annual fees.

**Outcome:**

A special meeting of the Board to discuss proposed reductions to the Board Governance budget will be held on Wednesday, January 27, 2010 at 3:00 p.m. in the Board Room.

**3. Budget Input Document/Survey Review**

The Director of Finance provided to the Committee a draft of the 2010/2011 Budget Consultation brochure for review. The Committee agreed to the following amendments to the brochure:

- inclusion of the Budget Development Principles
- indicate on first page \$6,000,000 shortfall
- removal of the picture from background on third page
- replace the questions on the fourth page with three questions requesting input on what is most important, where to spend less and where to spend more

**Outcome:**

The Director of Finance will make the amendments as discussed and will distribute the brochure for completion (including placement on the School District webpage).

**4. Revenue and Expense Summary at December 31, 2009**

The Director of Finance reviewed the Revenue and Expense Summary at December 31, 2009.

In the Operating Fund Revenue the items to note include:

- Provincial Grants, Ministry of Education – the pay equity grant is now received on a monthly basis rather than full funding in September
- Other Fees & Revenues
  - o Other School Districts – Health & Safety subcontracts to other School Districts have increased revenue
  - o Out of Province Tuition – increase in revenue from International Education Program
  - o Miscellaneous – revenue received from the user pay busing estimated to be \$700,000 this year
- Investment Income – due to the change in the market, the preliminary budget of \$300,000 has been increased to \$500,000

The items reviewed in the Expenditure by Object include:

- Substitute Salaries – includes an increase in the daily rate for a teacher on call
- Total Salaries & Benefits
  - o includes increase of 2.5% for teachers and 2% for support staff.
  - o due to the late start in the school year one less pay period for CUPE staff
- Services & Supplies
  - o utilities – last year went over budget and due to mild weather will likely remain within budget this year

**Outcome:**

THAT: The Finance and Legal Committee receive the Revenue and Expense Summary at December 31, 2009;

AND FURTHER THAT: The Revenue and Expense Summary at December 31, 2009 be forwarded to the Board as an information item.

**Information Items**

**1. 2009/2010 Final Operating Grant**

The Director of Finance provided a review of the Estimated Operating Grants – 2009/10. The total September enrolment is 21,415, which does not include course challenges or home schooling, and at \$5,851 per student, the total enrolment based funding is \$125,301,781. Of note is the Supplement for Salary Differential which was estimated at \$1,378/FTE for 1,189.72 educators. The actual supplement amount was \$864/FTE for 1,179.62 educators which was a decrease in funding of approximately \$600,000. This is due to a change in the funding formula by the Ministry of Education.

## **2. HST Rebate**

The Information Bulletin issued by the Ministry of Finance indicates that partial rebates of the provincial portion of the Harmonized Sales Tax (HST) will ensure that, on average, schools, universities, public colleges and hospital authorities, will not pay any more provincial HST after harmonization than they currently pay in PST and GST. When the HST is implemented, B.C intends to provide a rebate of 87% of the provincial portion of the HST for eligible schools.

### **Recommendations/Referrals to the Board/Coordinating Committee/Other Committees**

Public Board Meeting – February 10, 2009

- Revenue and Expense Summary at December 31, 2009

### **Items for Future Finance and Legal Committee Meetings**

Amending of Policy 115 – Inaugural and Annual Board Meetings regarding trustee indemnity

### **Meeting Schedule**

#### **Future Finance and Legal Committee Meetings:**

Wednesday, February 17, 2010 at 6:30 p.m. at School Board Office

Wednesday, March 31, 2010 at 1:00 p.m. at School Board Office

Wednesday, April 7, 2010 at 1:00 p.m. at School Board Office

Wednesday, April 21, 2010 at 6:30 p.m. at School Board Office

Wednesday, May 19, 2010 at 1:00 p.m. at School Board Office

Wednesday, June 16, 2010 at 6:30 p.m. at School Board Office

### **Questions – Please Contact:**

**Gail Given, Chairperson**

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