

SCHOOL DISTRICT No. 23 – BOARD COMMITTEE REPORT

COMMITTEE: Finance and Legal Committee DATE: April 2, 2008

CHAIRPERSON: Trustee A. Hunt-Binkley STAFF CONTACT: L. Paul, Secretary-Treasurer
E. Sadlowski, Director of Finance

Attendees:

Trustee A. Hunt-Binkley (Chairperson)	Staff:
Trustee R. Cacchioni (Committee Member)	E. Sadlowski, Director of Finance
Trustee W. Horning (Acting Committee Member)	L. Paul, Secretary-Treasurer
Trustee M. Baxter	M. Roberts, Superintendent
Trustee C. Wiebe (absent)	D. Carmichael, Finance Manager
	M. Essler, Executive Assistant (Recorder)

Partner Group Representation:

COPAC	Gail Given, Executive Member
COTA	Tom Potts, President
COPVPA	Sent regrets
CUPE	Leanne Louie, Secretary-Treasurer (arrived at 2:35)
DSC	No representative

Discussion/Action Items

1. Revenue and Expense Summary at February 29, 2008

(attachment)

Eileen Sadlowski, Director of Finance, reviewed the Revenue and Expense Summary at February 29, 2008. The format of the Revenue and Expense Summary has been adjusted to include “Forecasted Annual June 30, 2008” which projects the surplus as of June 30, 2008. This figure has been included to be used for planning for the 2008/2009 school year.

2:25 Leanne Louie arrived.

On the Expenditures by Object, the expenses for three main categories have been adjusted. The first category is Teachers Salaries which Forecasted Annual June 30th, 2008 is approximately \$400,000.00 less than the Proposed Final Budget 2007/2008. The next category adjustment is Substitute Salaries which Proposed Final Budget 2007/2008 was \$4,302,611 and the Forecasted Annual June 30, 2008 is \$4,102,611. This is due to the cost of a teacher on call being less than budgeted. The third category is Employee Benefits & Allowance where the Proposed Final Budget 2007/2008 is \$25,516,595 and the Forecasted Annual June 30, 2008 is \$25,183,376. There is discretionary spending allowed in the other categories so the expenses cannot be accurately predicted. The total forecasted amounts total approximately \$900,000.00 less in expenses for the 2007/2008 school year. Forecasted revenue is approximately \$600,000 more than budget. As stated on the Statement of Revenue & Expenditure, the expected surplus is \$1,516,061. The Committee discussed the dues and fees, fuel fees, teacher 5+ salaries and International Education expenses.

Outcome:

That the Finance and Legal Committee receive the Revenue and Expense Summary at February 29, 2008.

That the Revenue and Expense Summary at February 29, 2008 be forwarded to the Board as an information item.

Information Items

1. 2008/2009 Ministry Funding Allocation

(attachment)

Eileen Sadlowski, Director of Finance, reviewed the Estimated Operating Grants – 2008/09. The FTE funding level for 2008/2009 remains unchanged from last year at \$5,851.00 per pupil. The total enrolment based funding is \$121,756,941. The Supplemental Funding includes the specialty grants. School District No. 23 will not receive an Enrolment Decline Supplement as there is a slow, not dramatic, decline in enrolment in School District No. 23. Under Unique Special Needs, enrolment for English as a Second Language is up to 368.0 students which is 100 above last year's enrolment. With the funding level for English as a Second Language students at \$1,174 per student, the total funding for ESL is \$432,032. The total funding for Aboriginal Education remains unchanged from last year at \$1,845,987. The total Unique Student Needs funding including funding for English as a Second Language, Aboriginal Education and Special Education is \$11,884,041. The Salary Differential is based on the number of students expected and ratio of educators to students. The funding for Unique Geographic Factors in the past was approximately \$2,800,000 and the funding for 2008/2009 is \$1,715,769. The past funding of \$2,800,000 included a specific Density Grant which is no longer available. The funding for Transportation remains unchanged. The Funding Protection allocation is nil as the declining enrolment in School District No. 23 is too slow to qualify. Labour Settlement Funding of \$17,120,684 includes teacher and support staff labour contract increases. The estimated 2008/09 Operating Grant is \$156,464,688. This figure is less than expected as there is no longer a funding allocation for GAAP, Unique Geographic Factors is down approximately \$1,000,000, and the Ministry is holding back \$85,000,000 from the overall Provincial budget to put towards specifically targeted areas throughout the 2008/2009 school year.

The Superintendent advised that although the funding reflects an increase of \$2,300,000 for 2008/2009, the extra funding does not cover the full increase in expenses and costs for 2008/2009. In order to continue with the programs and expenses currently offered this year, the School District would require an additional \$5,300,000 in addition to the \$2,300,000. The surplus from 2007/2008 of \$1,500,000 will supplement the additional \$2,300,000. With the declining enrolment there will be a savings of approximately \$800,000 as fewer teachers will be required. The shortfall for 2008/2009 is, however, approximately \$4,400,000. In order to achieve a balanced budget, the School District will have to eliminate \$4,400,000 in expenses across the District. The funding received for targeted areas such as Aboriginal Education, Special Education, grant money for Early Learning and Literacy Grants, all must be spent in their targeted areas. These are not discretionary funds. Of the \$85,000,000 held back by the Ministry of Education, School Districts will be provided with a portion of this funding mid-year. It will be targeted to specific areas such as Distance Learning, Special Education and early childhood education. If budget reductions to classroom teachers are required, the majority would occur in the middle/secondary schools. The only reduction of teachers in the elementary area is likely to be in non-enrolling teachers as elementary classrooms are very close to the class size limit. The remaining budget reductions would occur amongst the remaining programs such as administration, operations, career programs, and technology.

The Committee reviewed the timeline for the District Budget Recommendations.

Outcome

The Finance and Legal Committee forward the 2008/2009 Ministry Funding Allocation, to the Board of Education as an information item.

2. 2008/2009 School Charges

(attachment)

Larry Paul, Secretary-Treasurer, reviewed the 2008/2009 School Charges which is an annual report to the Board in accordance with Policy 425: Student Fees. There is a modest increase in the student activity and cultural fee which has not been increased for over ten years (elementary \$3.00 increase and middle/secondary \$5.00 increase).

Outcome

The Finance and Legal Committee forward the 2008/2009 School Charges, to the Board of Education as an information item.

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

Referrals to the Board:

Revenue and Expense Summary at February 29, 2008 – *April 23, 2008*

2008/2009 Ministry Funding Allocation – *April 9, 2008*

2008/2009 School Charges – *April 23, 2008*

Items for Future Finance and Legal Committee Meetings

Director of Technology and Education Services – Contractual Status with Ministry of Education regarding BCeSIS – *May 2008*

Investment Review for School District 23 by Cairy Holtby of Dominion Securities - *Future*

Meeting Schedule

Wednesday, April 16, 2008 at 6:30 p.m. at School Board Office

Wednesday, May 21, 2008 at 1:00 p.m. at School Board Office

Wednesday, June 18, 2008 at 6:30 p.m. at School Board Office

Questions – Please Contact:

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Anna Hunt-Binkley, Chairperson