

SCHOOL DISTRICT No. 23 – BOARD COMMITTEE REPORT

COMMITTEE:	<u>Finance and Legal Committee</u>	DATE:	<u>April 2, 2014</u>
CHAIRPERSON:	<u>Trustee R. Cacchioni</u>	STAFF CONTACT:	<u>L. Paul, Secretary-Treasurer E. Sadlowski, Director of Finance</u>

Attendees:

Board of Education:
Trustee R. Cacchioni (Chairperson)
Trustee C. Gorman (Committee Member)
Trustee M. Pendharkar (Committee Member) (*absent*)
Trustee D. Butler (Acting Committee Member)
Trustee M. Baxter
Trustee J. Brinkerhoff (*arrived at 2:27 pm*)

Staff:
L. Paul, Secretary-Treasurer (*absent*)
E. Sadlowski, Director of Finance
H. Gloster, Superintendent
T. Beaudry, Assistant Superintendent
B. Bertram, Executive Assistant (*Recorder*)

Partner Group Representation:

COTA	Susan Bauhart, President
COPAC	Brenda Crowley, Treasurer
COPVPA	No representative
CUPE	Kieran Fahy, Secretary-Treasurer
District Student Council	No representative

Agenda/Additions/Amendments/Deletions

Add: 7.2 Changes to Government Funding for Seismic Upgrades and Other Capital Projects in School Districts (*New Information Item*)

April 2, 2014 Agenda – approved as amended.

Reports/Matters Arising

January 29, 2014 Committee Report – received as presented.

Committee Members Queries/Comments

Trustee Butler

Queried whether the Summary of Trustee Expenses Report, recently received by Trustees, would be reviewed during the budget process, as some areas are indicating over-spending.

The Director of Finance responded that, while funding is divided proportionately among the seven Trustees and individual Trustees are spending different amounts, the collective Trustee expenses are not over-spent. This was not, therefore, a budget issue.

The Committee agreed that this item would be added to the May 21, 2014 Finance and Legal Committee Public Meeting as a discussion item.

Discussion/Action Items

1. Overview of Budget Allocation

The Director of Finance reviewed the Estimated Operating Grants for 2014/2015 for both School District No. 23 and the Province. The District is projecting a slight increase in enrolment for September 2014, with per pupil funding remaining the same as the previous year at \$6,900 per eligible full-time equivalent school-age student. All other categories have been rolled forward with current levels and amounts. The Supplement for the Education Plan is intended to assist Boards of Education in realizing the objectives and implementing initiatives laid out in the Education Plan. The Ministry of Education is providing these funds to continue supporting reading-related initiatives as well as to strengthen skills/trades training.

There are currently 41 school districts in the province receiving funding protection which provides a guaranteed level of funding regardless of their declining enrolment. This is an increase from 30 school districts receiving funding protection in the previous year. Districts receiving funding protection do not receive additional holdback funds released by the Ministry in December.

There is a significant increase in the Ministry's holdback funds for the 2014/2015 school year; however, the cost of substantial upgrades to the Provincial Learning Network (PLNet), which is the provincial internet structure, will be financed through these funds.

Outcome

The Committee agreed that the Estimated Operating Grants for 2013/2014 and 2014/2015, for both School District No. 23 and the Province, would be forwarded to the Board of Education as an Information Item.

2. Revenue and Expense Summary at February 28, 2014

The Director of Finance provided a review of the Revenue and Expense Summary at February 28, 2014. Revenue increases include additional income received from the WorkSafeBC subcontracting by the District's Health and Safety Department, as well as increased investment and rentals income. Expenditure increases include staffing changes and increases in salary and benefits packages. Committee members discussed the District's ability to absorb utility rate increases each year. It is anticipated that the District will have a \$1.5 - \$2 million surplus available for carry-forward at the end of June 2014.

Outcome

Committee members agreed that the Revenue and Expense Summary at February 28, 2014 would be sent to the Board of Education as an Information Item.

Information Items

1. Budget Consultation Input Received

The Director of Finance reviewed the budget consultation process which includes soliciting Partner Group input at public meetings of the Finance and Legal Committee, a public presentation, an online survey available on the District's website (with a paper copy of the survey available for members of the public to complete if requested), and communication through school newsletters. Thirteen responses were received to the online survey, as well as one Partner Group submission (COTA). Budget items are periodically referred through the committee process and this year included a request from the KLO Green Parent Committee for \$68,500 to assist in improvements to the Fascieux Creek site at KLO Middle School, as well as a request from the Aboriginal Education Council for the District to cost-share the position of the Aboriginal Program Resource Teacher. These items will be included in the Superintendent's Budget Recommendations Report.

The District is facing a budget shortfall of approximately \$4 million for the 2014/2015 school year. The COTA President requested clarification on information contained within a Ministry report which stated that the Central Okanagan School District had an accumulated surplus amount of approximately \$11 million in 2012. The Director of Finance advised that, at a certain snapshot in time, a large accumulated surplus may show, however amounts are continually being rolled forward and committed to funding for the next school year. As well, a portion of surplus amounts are for targeted funds, e.g. Aboriginal Education or Distributed Learning, and must be held for those specific programs. Surplus funds may also be committed for future projects, e.g. the technology refresh program.

2. Changes to Government Funding for Seismic Upgrades and Other Capital Projects in School Districts

Committee members discussed the recent change on how the government will be funding seismic upgrades and other school district capital projects. Boards of Education will be expected to fund up to 50% of new capital projects from surplus funds.

Meeting Schedule

April 16, 2014 at 6:30 pm	May 21, 2014 at 1:00 pm	June 18, 2014 at 6:30 pm
September 17, 2014 at 1:00 pm	October 15, 2014 at 6:30 pm	November 19, 2014 at 1:00 pm

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

Future Public Board Meeting Information Items:

- School District No. 23 and Provincial Estimated Operating Grants for 2013/2014 and 2014/2015
- Revenue and Expense Summary at February 28, 2014

Items for Future Finance and Legal Committee Meetings

- Report on Nominal Roll Audit
- Report on Mock Aboriginal Education Audit
- Trustee Travel Expenses (*May 21, 2014*)

Questions – Please Contact:

Trustee Rolli Cacchioni, Chairperson
Larry Paul, Secretary-Treasurer
Eileen Sadlowski, Director of Finance

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