

CENTRAL OKANAGAN PUBLIC SCHOOLS 2022-2023 ANNUAL BUDGET PRESENTATION



CENTRAL OKANAGAN PUBLIC SCHOOLS

FINANCIAL INCOME SOURCES - THREE SOURCES



OPERATING - Main operating expenditures. This is the fund that the budget development decisions are for. In 2021-2022, this fund accounts for 86% of the total budget. Total Operating Budget is \$254,795,290 (2021 = \$242,693,305).



SPECIAL PURPOSE - Funding that is provided for a particular purpose. Examples include Provincial Safe Return to Class, Classroom Enhancement Fund, CommunityLINK, Annual Facility Grant, School Generated Funds. Budget is straight forward as the expense must be related to the purpose of the funding. In 2021-2022, this fund accounts for 11% of the total budget. Total Special Purpose Budget is \$32,475,243 (2021 = \$40,463,564).

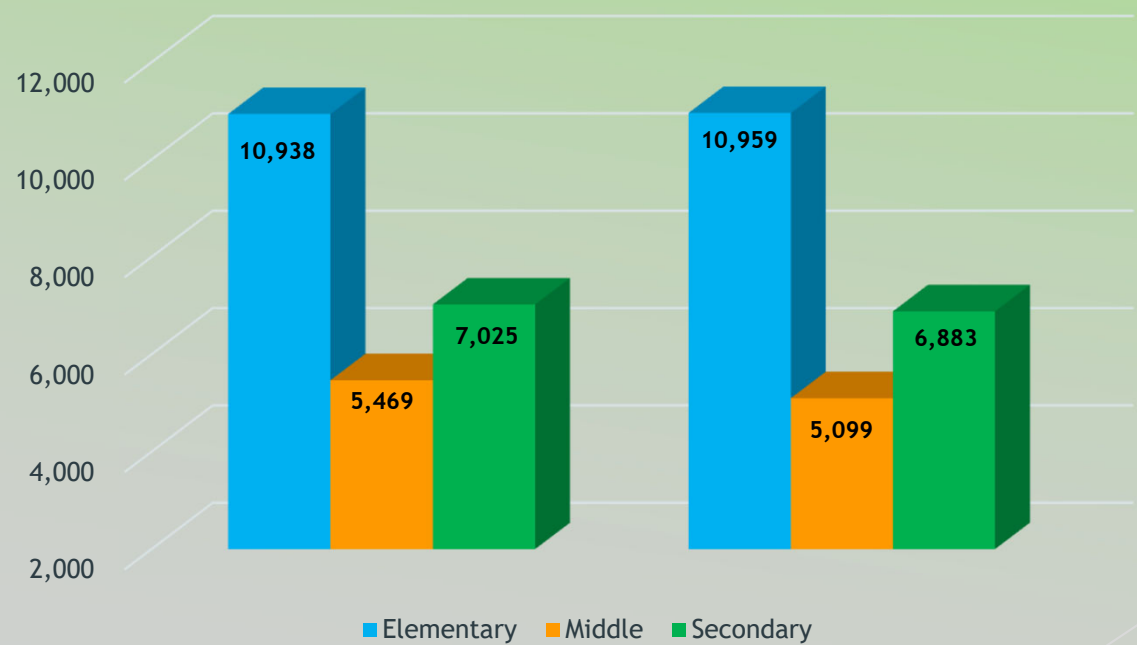


CAPITAL - This fund includes the capital assets of the District (i.e., land, buildings, equipment, vehicles). A five-year Capital Plan is approved by the Board of Education on an annual basis. In 2021-2022, this fund accounts for 3% of the total budget. Total Capital Budget is \$14,805,916 (2021 = \$14,452,303)

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BUDGET DEVELOPMENT PRINCIPLES & STUDENT HEADCOUNT

- Students come first.
- Every budget allocation will be aligned to meet the District’s Mission, Vision, Cultural Values and Overarching Goal.
- Consideration must also be given to the individual school goals.
- The District will obtain the most effective results for the dollars spent.
- The Board must meet legal requirements; therefore, the budget will be balanced, and all statutory requirements will be met.



Sept 2022 Headcount = 23,432
Sept 2021 Headcount = 22,941
Sept 2020 Headcount = 22,563

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FUNDING ANNOUNCEMENT BUDGET RESULTS

Anticipated Funding Increase	4,054,272	
Reduced Surplus Carry Over	<u>(1,407,592)</u>	2,646,680
<u>Additional Costs Due To</u>		
Increased supports for increased enrolments and student needs	1,810,203	
Costs to support additional student spaces	897,322	
Salary and benefits inflation	1,394,085	
Additional budget to reflect higher anticipated leave costs	1,159,165	
Discretionary increases to supports and staff	<u>718,862</u>	5,979,636
2022/2023 Budget Pressure		<u><u>(3,332,956)</u></u>

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OTHER UNKNOWN FACTORS

- Employment Standards Act changes recently added 5 sick leave days for teachers teaching on call and casual employees (budget pressure range \$337,000 - \$1,688,000). Cost will depend on how many days are accessed. Currently there is additional teacher illness & replacement budget in the preliminary budget (included in the 2022/2023 budget pressure). Part of this additional teacher illness and replacement budget will be repurposed to offset this additional cost pressure with the expectation that teacher illness and replacement costs will partially revert to pre-COVID-19 pandemic levels. These additional 5 sick leave days for teachers teaching on call and casual employees is not funded by the government.
- New Ministry graduation requirement that all students must take one Indigenous focused course.
- Staff have confirmed with the Ministry of Education and Child Care that there is no 2021/2022 holdback funding expected due to an overall student enrolment decline. In 2020/2021, the District received \$721,327 of holdback funds; however, there were spending restrictions on these funds.
- Districts are uncertain if there will be any COVID-19 pandemic funding for the 2022/2023 school year.

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BUDGET BALANCING STRATEGY FOR 2022/2023

- The District's goal is to maintain services to support student success by reorganizing staff and services despite the current cost pressures.
- Generate additional revenue through various departments.
- Expected growth in the District next year will result in an increased overall budget and increased staffing for 2022/2023 Annual Budget.
- The 2022/2023 Classroom Enhancement Fund request will be higher than the current year to mitigate some of the staffing pressures expected in the 2022/2023 school year.

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SUMMARY OF RECOMMENDATIONS

Total 2022-2023 Budget Pressure (3,332,956)

DESCRIPTION	FTE	AMOUNT
REVENUE GENERATING		
Expand Int'l Education Program (30 FTE)		450,000
Additional SWIS Funds for Staffing		65,930
Increase Preschool/Afterschool/Permit Fees (5%)		30,000
TOTAL REVENUE GENERATING FUNDS		545,930
EXPENSE SAVINGS		
<u>Central Administration</u>		
District Instruction	3.5000	371,252
Rapid Test Administration		50,000
Shift Mental Health Support		150,000
Senior Discretionary		30,000
	3.5000	601,252
<u>School Administration</u>	2.0000	311,040
	2.0000	311,040
<u>Departments</u>		
Inclusive Education Staff	2.0000	96,774
Flu Shot Reconfiguration		40,000
Operations Staff	7.0000	347,269
Refresh Tech Program		250,000
	9.0000	734,043
<u>Schools</u>		
School Based Teaching Staff	7.5000	795,540
2021/2022 Unspent School Discretionary Surplus		275,000
School Discretionary Services & Supplies		70,151
	7.5000	1,140,691
TOTAL EXPENSE SAVING ITEMS		2,787,026
TOTAL NET BUDGET ADJUSTMENTS	22.0000	3,332,956

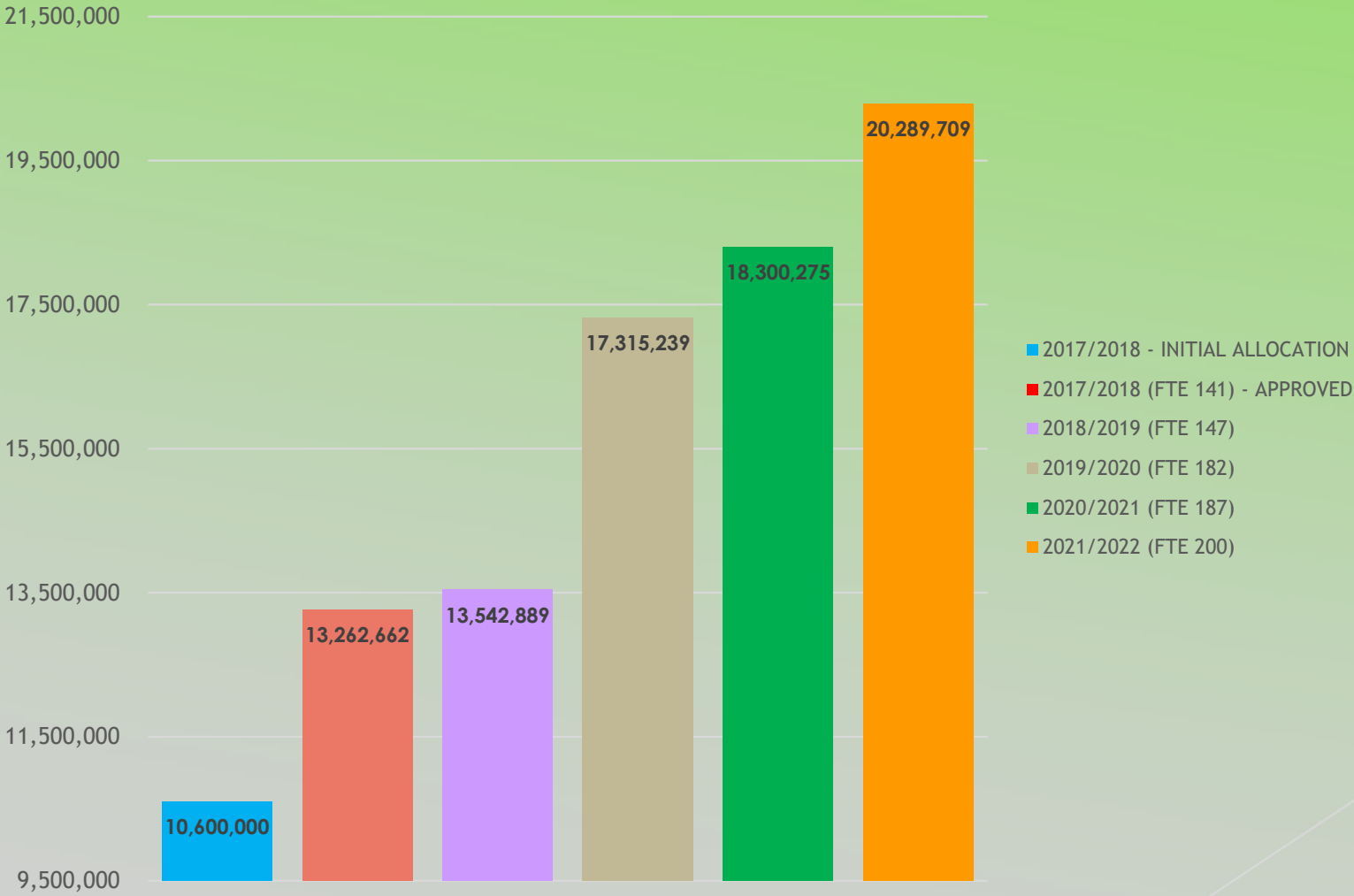
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CLASSROOM ENHANCEMENT FUND (CEF)

- A new negotiated special purpose fund (Classroom Enhancement Fund) was established in the 2017/2018 school year as a result of the Supreme Court decision, to assist school districts with the implementation of the restored class size and composition limits.
- The initial Ministry of Education funding allocation was approximately \$10.6M. The District's capacity challenges, and classroom complexity, provided evidence that more funding was needed. As a result, the initial allocation was increased to \$13.2M.
- The District will spend the 2021/2022 CEF budget of \$20.2M by June 30, 2022 (\$19.7M on staffing, \$549K on overhead). In the prior year, the budget was \$18.2M (\$17.7M on staffing, \$549K on overhead).
- Since September 1, 2018, 200 full time teachers have been hired into our District and are funded by the Classroom Enhancement Fund.
- The District will continue to maximize the CEF to add enrolling and non enrolling support to schools to address classroom complexity (both composition & class size) and the District's capacity challenges (currently 104% District wide capacity).

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CLASSROOM ENHANCEMENT FUND CONTINUED



The Classroom Enhancement Fund teacher FTE (full time equivalent) is not cumulative.

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INVESTMENT PORTFOLIO QUERY

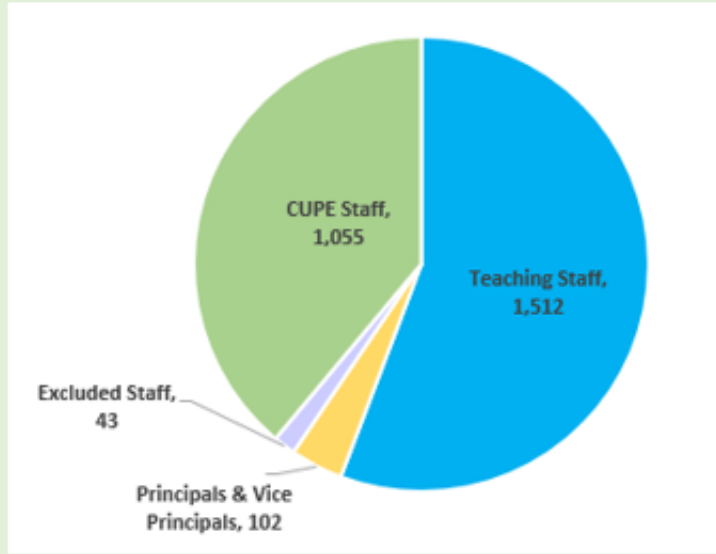
- At the April 20, 2022, Finance and Audit Committee meeting, the District was asked why the investment portfolio could not be used to balance the 2022/2023 budget pressure.
- Since then, a partner group member contacted the Ministry of Education and Child Care and asked for clarification and communicated their understanding to the Board of Education.
- In response to these queries, the Secretary-Treasurer/CFO consulted with the District's external auditing partner and their Ministry of Education and Child Care contact and provide the following comments:
 - Cash is required to run the day-to-day operations of the District.
 - Cash and investments are not a revenue source and are already fully appropriated (ear marked) for multiple projects, obligations (liabilities), cost sharing commitments, future land purchases, reserves (i.e., Child Care Space Project - needs \$8.2M cash).
 - The District is legally obligated (have cash available) to pay all liabilities and reserves.
 - The financial risk increases when there is insufficient cash or investments.
 - Interest earned on the investment portfolio flows into the income statement to support the budget (revenue generating).

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CONCLUSION

Due to student FTE growth, the District's overall staffing is expected to increase for the 2022/2023 school year (illustrated in the graphs below), however the staffing ratio serving students has decreased. Even with the expected student FTE growth, the District is still facing increased inflationary costs, resulting in a budget pressure for the 2022/2023 school year. The 2022/2023 Annual Budget is conservative and there is a financial risk to the District if the Classroom Enhancement Fund (CEF) request is not approved in December 2022.

2022/2023 Projected Staffing



2021/2022 Actual Staffing

