

# 2016-17 Preliminary Budget

May 3, 2016

## Abbotsford Board of Education Strategic Plan 2014-2018



## Budget Principles

- Maximize the allocation of resources to support the goals and priorities in the Strategic Plan.
- Commit to building a reasonable understanding of budget information through ongoing communications.
- Maintain a three year budget plan to ensure funding sources support program initiatives.
- Maintain surplus/reserve balances to respond to emergent needs.
- Maintain strong internal fiscal management policies.

## Budget Objectives 2016-17

- Maintain support for strategic priorities.
- Ensure reasonable use of reserves for
  - planned program spending
  - to limit current year spending reductions.

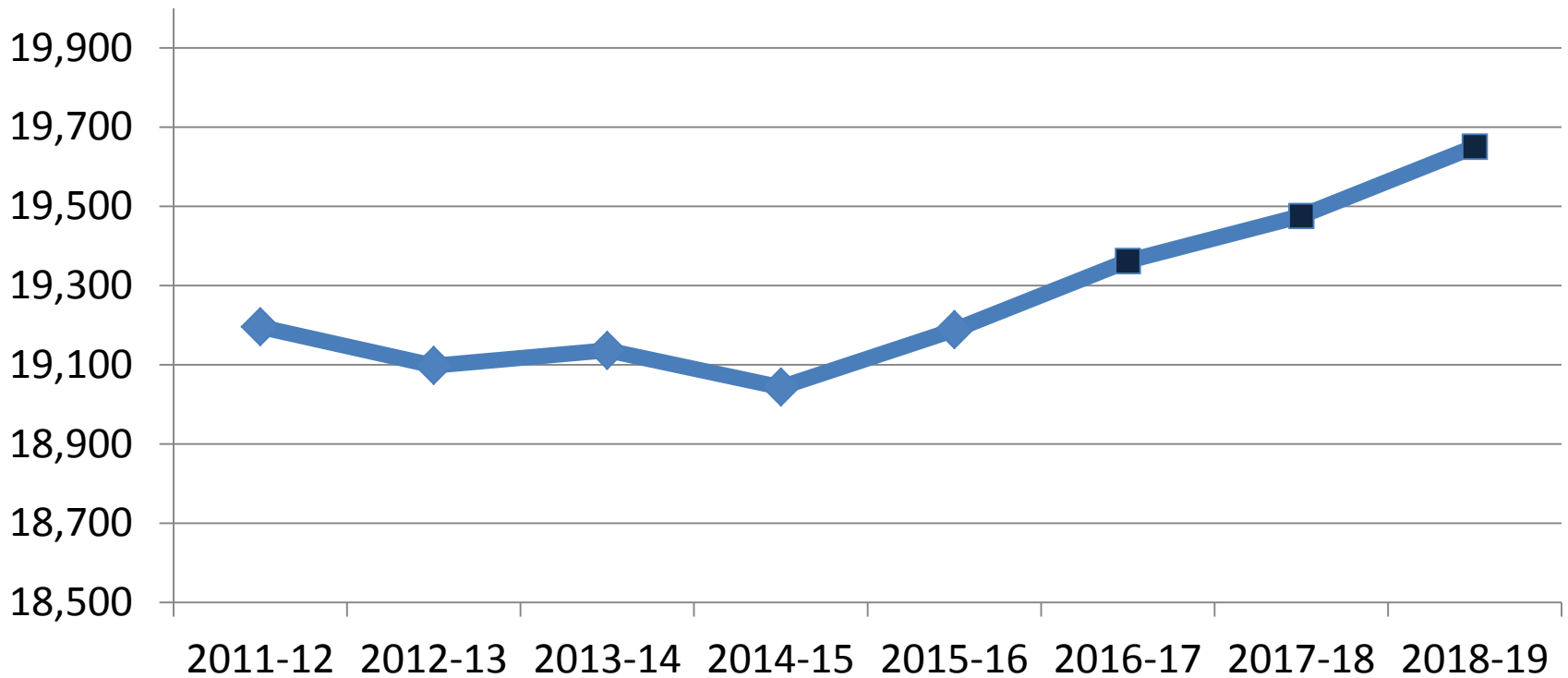


# 2016-17 Budget

## Student Enrolment



### Enrolments



# 2016-17 Budget

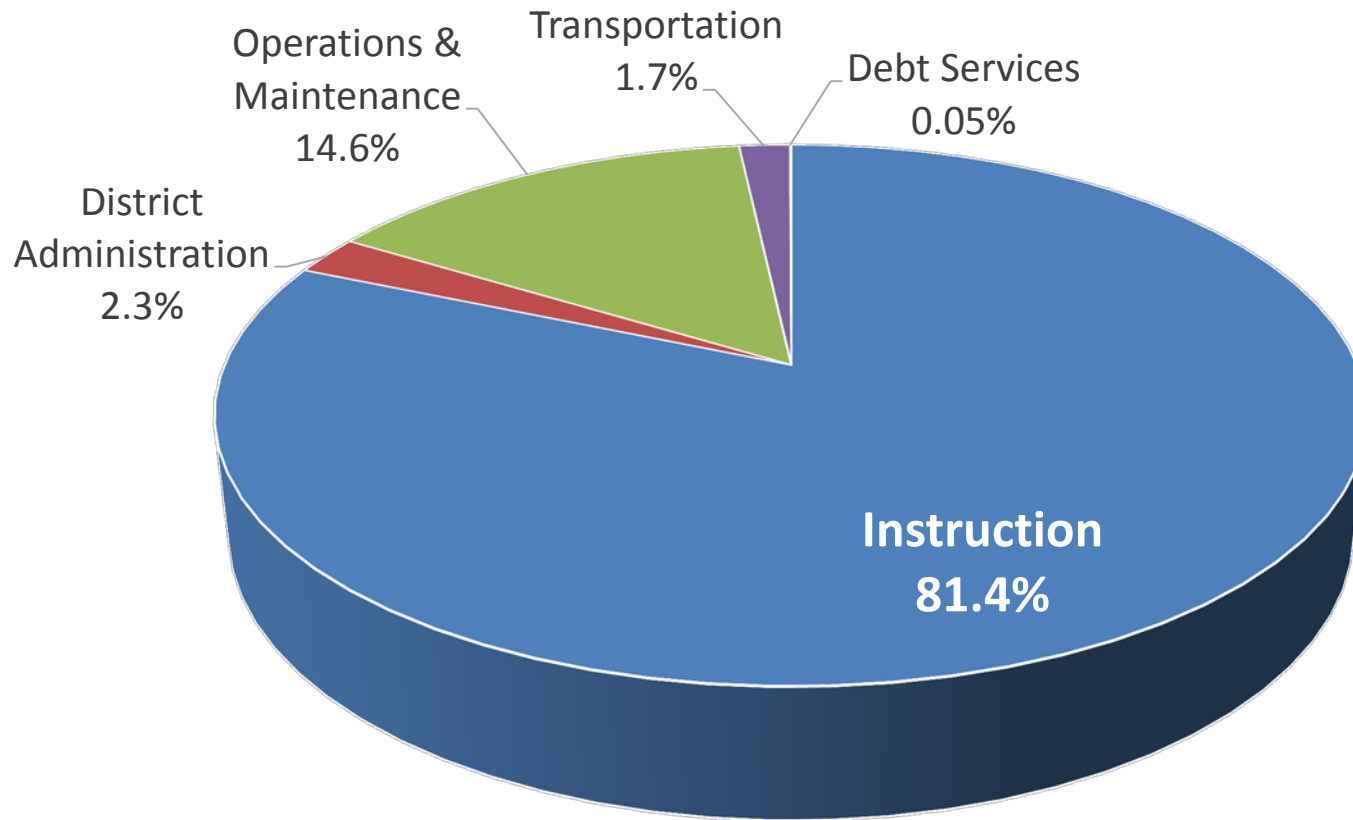
## Total Budget



Annual Budget (millions)	2016-17 Budget	2015-16 Budget
<b>REVENUE</b>		
Provincial Grants, Ministry of Education	174.9	171.4
Other Revenue	13.8	13.3
Amortization of Deferred Capital Revenue	7.3	7.2
<b>Total Revenue</b>	<b>196.0</b>	<b>191.9</b>
<b>EXPENSE</b>		
Instruction	161.6	160.7
District Administration	4.6	4.7
Operations & Maintenance	28.9	29.2
Transportation	3.4	3.6
Debt Services	0.1	0.0
<b>Total Expense</b>	<b>198.6</b>	<b>198.2</b>
Net Revenue (Expense)	(2.5)	(6.3)
Budgeted Allocation of Surplus (Deficit)	0.9	4.5
<b>Surplus (Deficit) for Year</b>	<b>(1.6)</b>	<b>(1.8)</b>
Budgeted Surplus (Deficit) is comprised of:		
Operating Fund Surplus (Deficit)		
Capital Fund Surplus (Deficit)	(1.6)	(1.8)

# 2016-17 Budget

## Total Budget



<b>Deficit in Prior Year</b>	<b>(\$4.2 M)</b>
<b>Changes to Funding</b> (note: Reduction for Admin Savings is \$1.9M)	
Enrolment Related Increases	\$1.6 M
Non-Enrolment Related Increases	\$1.3 M
<b>Cost Pressures</b>	
Collective Agreement Costs	(\$1.9M)
Increased salary costs due to enrolment increase	(\$1.3 M)
Employee Benefits (MSP, etc)	(\$0.1 M)
Teacher Pension Plan decrease	\$1.0 M
Teacher Salary increments	(\$0.7 M)
<b>Projected Deficit in 2016-17</b>	<b>( \$4.3M)</b>



# 2016-17 Budget - Information Meeting

## Administration Costs



### Ministry Operating Grant Reduction

- (Administrative Savings Reduction)
- Districts required to find administrative savings.

– 2015-16 = \$973,000

– **2016-17 = \$1,820,000**



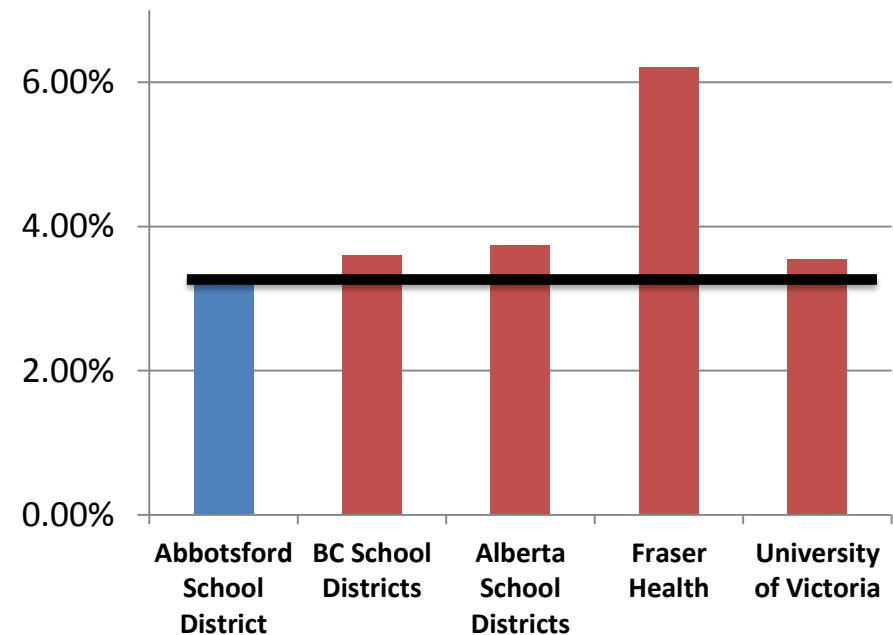
# 2016-17 Budget

## Administration Costs

### Considering administrative costs

- BC has the **lowest per pupil** district administration cost in Canada. (*Statistics Canada*)
- In 2013/14, BC spent **30% less** on district administration per pupil than other provinces:
  - BC - \$306.95 per pupil
  - Alberta - \$395.47 per pupil
  - Manitoba - \$402.58 per pupil
  - Saskatchewan at \$500.52 per pupil

Comparison of Administrative Spending



# 2016-17 Budget

## Balancing the Budget

### Spending Review

- Transportation Services
  - Not funded by Ministry of Education
- Discretionary spending compared to Provincial averages
  - Supplies & Services
  - Professional Development
  - Substitute Employee Costs



# 2016-17 Budget

## Balancing the Budget



### Transportation

- **Reduce “net” transportation costs** (Current net costs \$2.7M)
  - Proposed changes = \$400,000
  - Increased fees - \$200,000
  - Decreased service levels - \$200,000
    - Eliminate transportation to **out of catchment schools** (except for district programs)

Transportation Fees	Current (per student/per family)	Proposed for Sep 2016
In catchment – outside walk limits	\$300/\$500	\$400/\$600
Outside walk limits to District Program	\$300/\$500	\$600/\$800

# 2016-17 Budget

## Balancing the Budget



### Budget Proposals

### Amount

- Reductions to reduce spending closer to provincial averages:
  - Supplies (\$2.2M potential) 1,000,000
  - Professional Development (\$0.63M potential) 280,000
  - Substitute Employee costs (\$2M potential) 600,000
- Other budget changes
  - Management Salaries - 2.5 positions 305,000
  - Teacher Salaries (non-enrolling, 5 FTE) 475,000

# 2016-17 Budget

## Balancing the Budget



### Other Budget Proposals

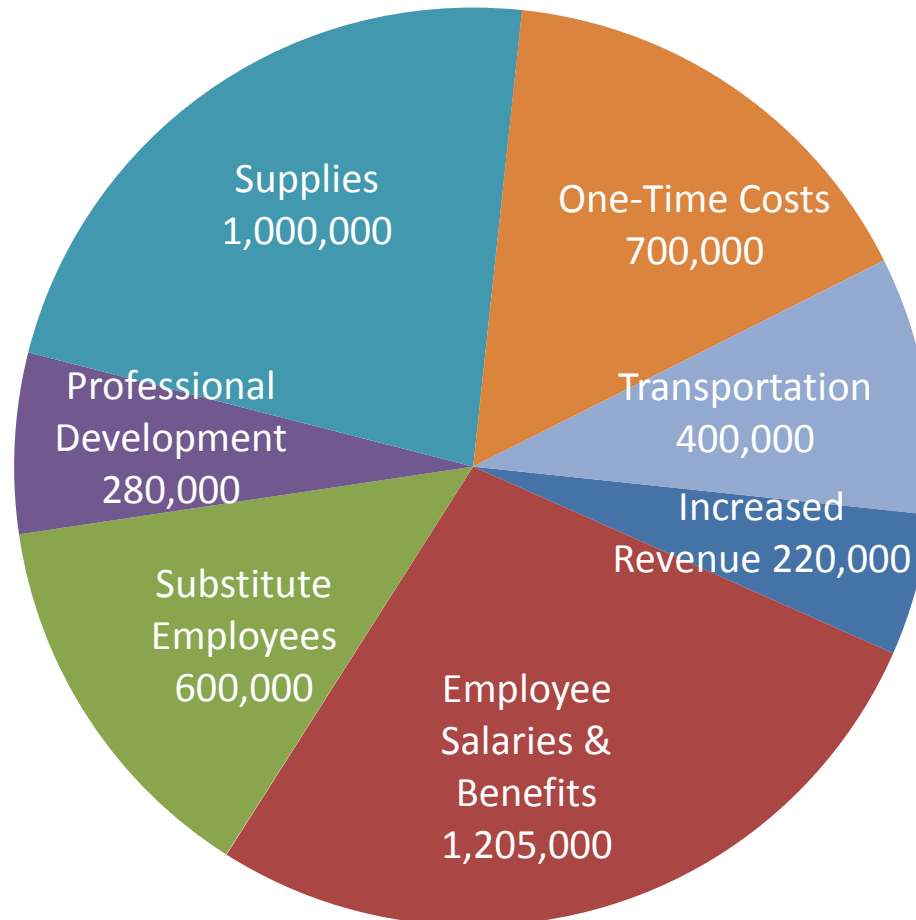
### Amount

- Other budget changes
  - Support for Internal Pay Equity (EA's) 200,000
  - Increase International Student Revenue 200,000
  - Increase Facility Rental Revenue 20,000
  - Maintenance Salaries – 3 positions allocated to AFG 225,000
  - One-time funding 700,000
  - Transportation Services 400,000

# 2016-17 Budget

## Balancing the Budget

### Summary of Budget Proposals



# 2016-17 Budget

## Budget Proposals



### Budget Initiatives 2016-17 (new spending)

Increase Principal/VP Salaries	250,000
Increase Exempt (Other Professional) Salaries	200,000
Permanent funding for Around School Program	100,000
IT Plan 2.0 (Curriculum Implementation) (Ongoing)	400,000
IT Plan 2.0 (one-time funds: \$1.5M in targeted in Reserves)	
<b>Total Proposed Budget Initiatives</b>	<b>950,000</b>



# 2016-17 Budget

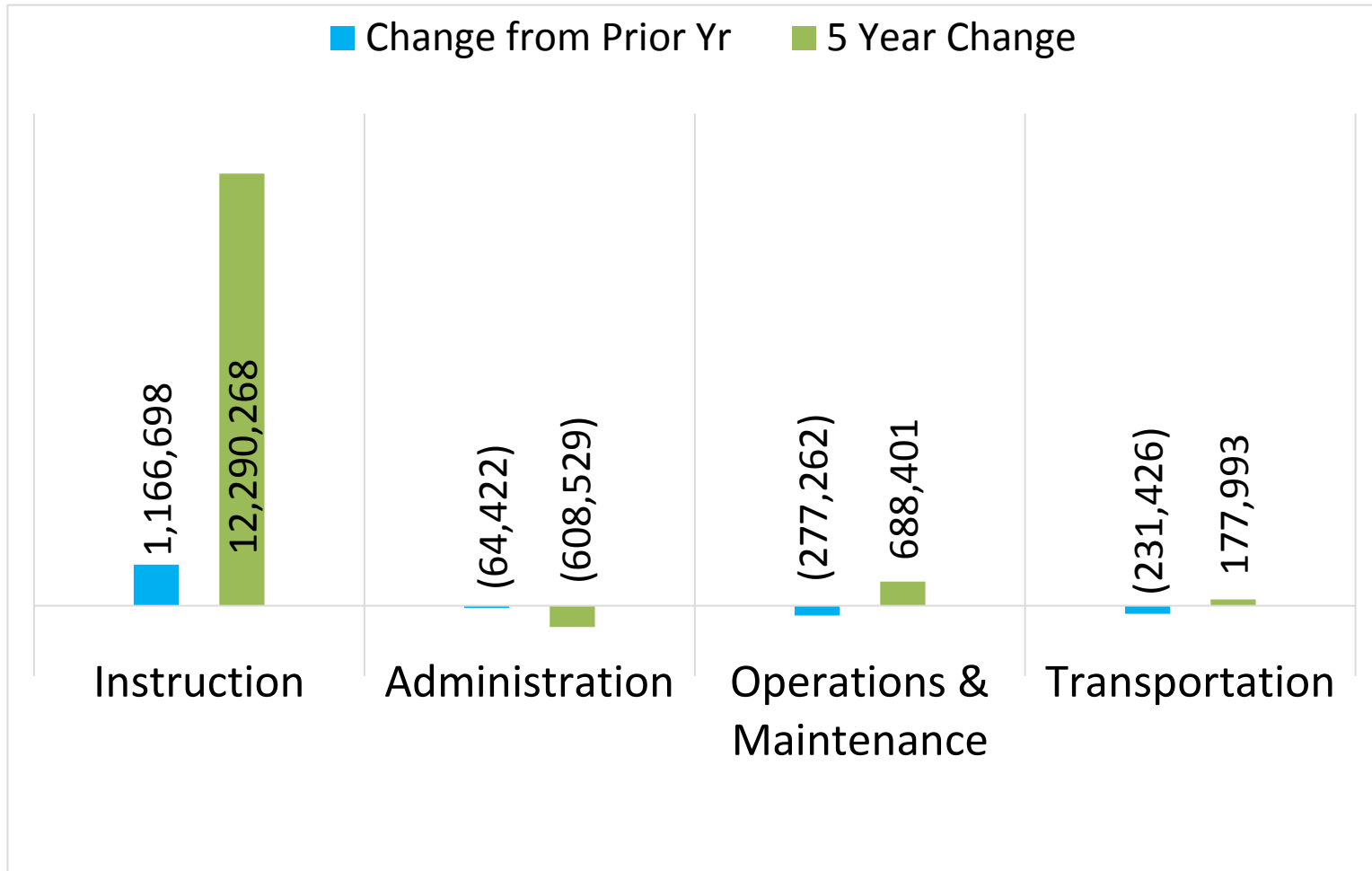
## Operating Fund Budget



Operating Fund Budget (millions)	2016-17 Budget	2015-16 Budget
<b>REVENUE</b>		
Provincial Grants	166.0	162.1
Total Other Revenue	<b>8.0</b>	<b>7.3</b>
<b>Total Revenue</b>	<b>174.0</b>	<b>169.4</b>
<b>EXPENSE</b>		
Total Salaries	123.9	121.6
Employee Benefits	32.2	32.3
Services & Supplies	17.6	19.3
<b>Total Expense</b>	<b>173.7</b>	<b>173.1</b>
Net Revenue (Expense)	0.3	(3.7)
Total Interfund Transfers	(1.2)	(0.8)
<b>Surplus (Deficit) for Year</b>	<b>(0.9)</b>	<b>(4.5)</b>
Accumulated Surplus, Beginning of Year	7.6	12.1
Accumulated Surplus, End of Year	6.7	7.6

# 2016-17 Budget

## Change in Spending



# 2016-17 Budget - Information Meeting

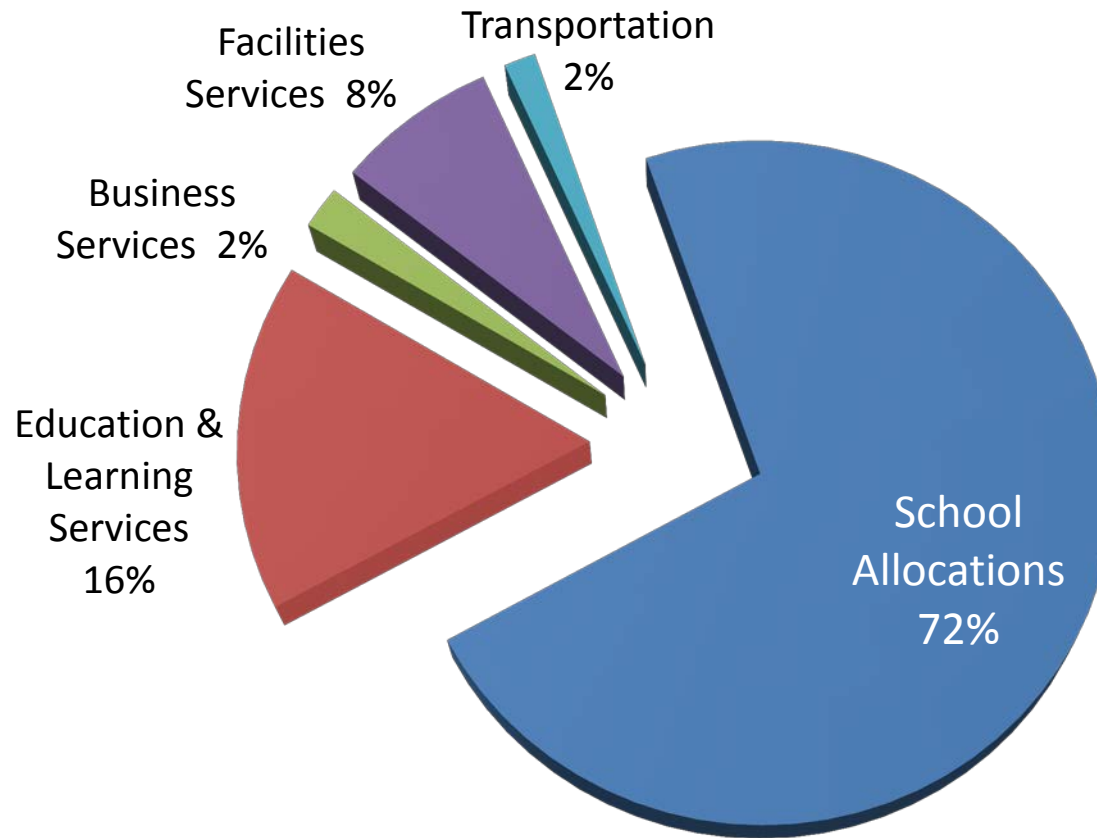
## 3 Year Forecast



Operating Fund Budget (millions)	2016-17 Budget	2017-18 Budget	2018-19 Budget
<b>REVENUE</b>			
Provincial Grants	166.0	167.9	171.1
Total Other Revenue	<b>8.0</b>	<b>8.1</b>	<b>8.2</b>
<b>Total Revenue</b>	<b>174.0</b>	<b>176.0</b>	<b>179.3</b>
<b>EXPENSE</b>			
Total Salaries	123.9	125.1	127.7
Employee Benefits	32.2	32.5	33.2
Services & Supplies	17.6	17.9	18.0
<b>Total Expense</b>	<b>173.7</b>	<b>175.6</b>	<b>178.9</b>
Net Revenue (Expense)	0.3	0.4	0.4
Total Interfund Transfers	(1.2)	(1.2)	(1.2)
<b>Surplus (Deficit) for Year</b>	<b>(0.9)</b>	<b>(0.8)</b>	<b>(0.8)</b>
Accumulated Surplus, Beginning of Year	7.6	6.7	5.9
Accumulated Surplus, End of Year	6.7	5.9	5.1

# 2016-17 Budget

## Internal Budget Allocations



## Risks & Emerging Issues

- Uncertain funding (changes/reductions)
- Provincial economic conditions
- Compensation challenges
- Reduction in services provided to schools
- Reduced discretionary spending
- Implementation of new curriculum (IT v. 2.0)



## **RECOMMENDATION**

- That the Board Approve the 2016-17 Annual Budget Bylaw totalling \$198,780,109.