
Administrative Memorandum

Regular Board Meeting

Date: February 14, 2018
Topic: 2017-2018 Amended Annual Budget
Submitted by: D. Greg Frank, Secretary-Treasurer

The Board, at the May 11, 2017 regular meeting, adopted the recommendations of the Budget Committee for the 2017/2018 preliminary budget. In accordance with statutory requirements, the Budget Committee is now bringing forward an amended 2017/2018 budget for board consideration and approval. The amended budget has been prepared to reflect actual enrolment as funded by the Ministry of Education as well as updated forecasts for other sources of revenues and projected expenditures for the year ended June 30, 2018. Overall, the district is projecting to remain in a strong financial position despite 2017/2018 expenses exceeding revenues by \$21 million, an increase of \$4.6 million over the preliminary budget. The net shortfall in revenues will be offset by an existing prior years Operating Fund balance which will be drawn down to \$15.1 million at June 30th. The remainder of the accumulated Operating Fund balance will be allocated to help offset an anticipated 2018-2019 funding shortfall.

Highlights of the 2017/2018 Operating Fund as reflected in the amended budget include:

Total revenues projected to be \$665 million (see schedule 2) an increase of \$7.6 million over preliminary budget, highlights include:

- Ministry of Education Operating Grant projected to be \$628 million; a net increase of \$4.5 million, based on a total regular school age enrolment of 72,145 FTE students. Specific highlights include:
 - School Age enrolment increased 332 FTE over preliminary budget (\$2.2 million)
 - Total Unique Student Needs funding increased \$1.7 million primarily the result of increased enrolment of Special Needs and English Language Learner Students
 - Increase in the Educator Salary Index of \$0.6 million

Other Revenues projected to be \$25 million an increase of \$1.4 million over preliminary budget, highlights include:

- Increased International and other Tuition fees of \$0.9 million
- Increased Other revenue sources of \$0.5 million

Total Operating Expenditures projected to be \$686 million, an increase of \$12 million over preliminary budget due primarily to increased: staffing and salary costs (\$1.7 million), supply and services costs (\$4.3 million), and local capital purchases (\$6.2 million).

Expenditures by Major Functions

Budgeted expenditures support Instruction 85.9%, Maintenance and Operations 10.6%, Administration 2.6% and Transportation 0.9%. Schedule 2C provides more detailed description of the expenditure distribution by major function and programs.

Net Changes to the Operating Fund Position Control for 2017/2018

Staffing FTE	2017/2018 Final	2016/2017 Final	Change
Principals and Vice Principals	247	245	+2
Teachers (Note)	4,012	3,945	+67
Other Professional Staff	98	96	+2
Educational Assistants	1,539	1,407	+132
Support Staff	1,108	1,103	+5
Total:	7,004	6,796	+208

Note: Excludes Classroom Enhancement Fund Teachers (398 FTE).

Special Purpose Funds (Schedule 3)

The Board of Education receives restricted funds targeted for various specific programs or activities. Included within these special purpose funds is the Classroom Enhancement Fund (CEF) provided for the restoration of 2002 contractual language into the teachers' collective agreement on class size/composition and non-enrolling ratios. This fund of \$37.2 million is restricted for the purpose of adding 398 FTE teachers and other associated costs for the restoration of 2002 contractual language on class size/composition. Other Ministry restricted funding received by the district is targeted for such things as; Annual Facility Grants, Learning Improvement Funds, Community Link Funds, Strong Start, Ready, Set, Learn and Provincial Resource Programs. Other restricted funds include Parent Advisory Councils Funds, Scholarships and other specifically targeted funds. More details of these funds can be found on Schedule 3 and 3A.

Capital Funds

Schedule 4 outlines the anticipated change in Investment in Capital and Local Capital Reserve funds.

Revenue and Expenditure Budgets

The attached Statements and Schedules provide the revenue and expenditure estimates distributed in accordance with Public Sector Accounting Standards and as prescribed by the Ministry of Education account structure and presentation format.

2017-2018 Amended Annual Budget

Statements

- 2 Revenue and Expense
- 4 Change in Net Financial Assets (Debt)

Schedules

- 2 Operating Revenue and Expense
- 2A Operating Revenue by Source
- 2B Operating Expense by Source
- 2C Operating Expense by Function and Program
- 3 Special Purpose Revenue and Expense
- 3A Change in Special Purpose Funds
- 4 Capital Revenue and Expense

Summary:

The Board's sound and prudent fiscal management policies and practices have enabled the district to continue to put students' needs first. Despite continuing funding and cost pressures, we continue to remain in a very strong financial position. This strong financial position will assist the district as we plan and develop our budget for the 2018/2019 fiscal year.

In summary, the 2017/2018 Amended Annual Budget reflects all staffing and infrastructure decisions taken to-date and the operating fund balance for the year ended June 30, 2018 will be needed to address future year's budget decisions and pressures.

It is recommended:

THAT the attached School District Amended Annual Budget for 2017/2018 totaling \$810,839,507 be approved and supplied to the Ministry of Education; and

THAT the Amended annual Budget Bylaw 2017/2018 be given three (3) readings at this meeting (vote must be unanimous); and

THAT the School District No. 36 (Surrey) Amended Annual Budget Bylaw 2017/2018 be approved as read a first time; and

THAT the School District No. 36 (Surrey) Amended Annual Budget Bylaw 2017/2018 be approved as read a second time; and

THAT the School District No. 36 (Surrey) Amended Annual Budget Bylaw 2017/2018 be approved as read a third time and finally adopted.

Respectfully submitted by:
Vice Chairperson Terry Allen
Chairperson, Budget Committee
