

---

## **Administrative Memorandum**

### **Regular Board Meeting**

**Date:** February 12, 2020  
**Topic:** 2019-2020 Amended Annual Budget  
**Submitted by:** D. Greg Frank, Secretary-Treasurer

---

#### **Background:**

The Board, at its 2019-05-15 regular meeting, adopted the recommendations of the Budget Committee for a 2019/2020 annual budget. In accordance with statutory requirements, the Finance Committee, is now bringing forward an amended 2019/2020 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 revised projected expenditures for the year ended June 30, 2020.

Overall, the district is projecting to remain in a strong financial position despite 2019/2020 expenditures, inclusive of local capital purchases, exceeding revenues by \$11.9 Million. The net shortfall in revenues will be offset by an existing prior years' Operating Fund Balance as at June 30, 2019 (see schedule 1). The Operating Fund Balance at June 30, 2020, consists of \$9.2 million Internally Restricted funds and \$4.5 million Unrestricted funds. The Internally Restricted funds are committed for contributions required by government for major Capital Projects totaling \$7.2 million and the remaining \$2 million committed for the anticipated year end roll over of Aboriginal Education, Learning Resources and School Operating fund balances. The Unrestricted Fund balance of \$4.5 million will be allocated to support spending in the 2020-2021 year.

#### **Highlights of the 2019/2020 Operating Fund as reflected in the amended budget include:**

Total revenues are projected to be \$730.5 million (see schedule 2) an increase of \$12.4 million over the preliminary budget, highlights include:

- Ministry of Education Operating Grant projected to be \$683.8 million; a net increase of \$6.7 million, based on a total school age enrolment of 74,581 FTE students. Specific highlights include:
  - School Age enrolment increased 163 FTE over preliminary budget - \$1.3 million
  - Total Unique Student Needs funding increased, primarily as the result of increased enrolment of Special Needs and English Language Learner Students - \$4.7 million

Other Revenues are projected to be \$46.6 million, an increase of \$5.7 million over the preliminary budget, due primarily to the following:

---

2019-2020 Amended Annual Budget

---

- Support Staff Wage Settlement Funds, \$3.0 million
- Federal Grants increase, \$1.0 million
- Investment Revenue increase \$0.5 million
- Rental and Leases Revenue increase \$0.4 million
- Increased Other Revenue sources net of \$0.8 million

Total Operating and Local Capital Expenditures are projected to be \$742.4 million, an increase of \$17.1 million over the preliminary budget, due primarily to the following:

- Salaries increased \$6.4 million
- Benefits increased \$2.4 million
- Increased supply and services costs \$5.4 million
- Local Capital Purchases \$2.9 million

### **Expenditures by Major Functions**

Budgeted expenditures allocated by functional areas include: Instruction 85.8%, Maintenance and Operations 10.8%, Administration 2.5%, and Transportation 1.0%. Schedule 2C of the financial statement package provides a more detailed description of the expenditure distribution by major function and programs.

### **Net Changes to the Operating Fund Position Control for 2019/2020**

Staffing FTE	2019/2020 Amended	2019/2020 Preliminary	Change
Principals and Vice Principals	254	254	0
Teachers *	4,588	4,561	+27
Other Professional Staff	105	101	+4
Educational Assistants	1,762	1,736	+26
Support Staff	1,195	1,180	+15
<b>Total:</b>	<b>7,904</b>	<b>7,832</b>	<b>+72</b>

*\*includes Teachers funded from Classroom Education Fund*

### **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 to districts to cover the cost of implementing the Memorandum of Understanding ("MOU") related to class size/composition and non-enrolling teacher ratios. The CEF funding allocation to Surrey is estimated at \$42.4 million and is restricted for the purpose of adding 490 FTE teachers and other associated costs related to the MOU.

Other restricted special purpose funds received by the district include; Annual Facility Grants, Learning Improvement Funds, Community Link Funds, Strong Start, Ready, Set, Learn, Provincial Resource Programs, Parent Advisory Councils Funds, Scholarships and other

---

---

**2019-2020 Amended Annual Budget**

---

specifically targeted funds. More details of these funds can be found on Schedule 3 and 3A of the financial statement package.

**Capital Funds**

Schedule 4 of the financial statement package 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.

**Statements**

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

**Schedules**

- 1 Change in Accumulated Surplus
- 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, the district continues to remain in a very strong financial position. This strong financial position will assist the district as it plans and develops the budget for the 2020/2021 and subsequent fiscal year.

In summary, the 2019/2020 Amended Annual Budget reflects all staffing and infrastructure decisions taken to-date.

**It is recommended:****Amended Annual Budget Bylaw No. 1 (Teachers)**

1. THAT all decisions taken by the Finance Committee during its deliberations regarding Teacher costs totaling \$475,238,533 and summarized in this report, be approved by the Board for implementation.
-

---

2019-2020 Amended Annual Budget

---

2. THAT the attached School District No. 36 (Surrey) 2019/2020 Amended Annual Budget Bylaw No. 1 (Teachers) be given three (3) readings at this meeting (vote must be unanimous).
3. THAT the attached School District No. 36 (Surrey) 2019/2020 Amended Annual Budget Bylaw No. 1 (Teachers) be approved as read a first time.
4. THAT the attached School District No. 36 (Surrey) 2019/2020 Amended Annual Budget Bylaw No. 1 (Teachers) be approved as read a second time.
5. THAT the attached School District No. 36 (Surrey) 2019/2020 Amended Annual Budget Bylaw No. 1 (Teachers) be approved as read a third time and finally adopted.

**Amended Annual Budget Bylaw No. 2 (Other)**

1. THAT all decisions taken by the Finance Committee during its deliberations regarding all Other costs totaling \$404,253,455 and summarized in this report, be approved by the Board for implementation.
2. THAT the attached School District No. 36 (Surrey) 2019/2020 Amended Annual Budget Bylaw No. 2 (Other) be given three (3) readings at this meeting (vote must be unanimous).
3. THAT the attached School District No. 36 (Surrey) 2019/2020 Amended Annual Budget Bylaw No. 2 (Other) be approved as read a first time.
4. THAT the attached School District No. 36 (Surrey) 2019/2020 Amended Annual Budget Bylaw No. 2 (Other) be approved as read a second time.
5. THAT the attached School District No. 36 (Surrey) 2019/2020 Amended Annual Budget Bylaw No. 2 (Other) be approved as read a third time and finally adopted.

Respectfully submitted by:  
Trustee Terry Allen  
Chairperson  
Finance Committee

---