



# Memorandum

**Date:** June 23, 2023  
**To:** Board of Education  
**From:** Finance and Audit Committee  
**Prepared by:** Kate Cumming, Assistant Secretary-Treasurer  
**Action Item:** **2023/2024 Annual Budget Bylaw**

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## 1.0 ISSUE STATEMENT

The Ministry of Education and Child Care requires that the Annual Budget be prepared, adopted by Bylaw and submitted by June 30, 2023.

## 2.0 RELEVANT BOARD MOTION/DIRECTION

*Public Board Meeting – April 26, 2023*

### **Main 23P-054**

**THAT: The Board of Education approve the Central Okanagan Public Schools Superintendent of Schools/CEO 2023/2024 Budget Recommendations, as attached to the Agenda, and as presented at the April 26, 2023 Public Board Meeting.**

## 3.0 BACKGROUND

Following the consultation and deliberation cycle as outlined in the budget timeline, recommendations were made for adjustments to the 2023/2024 Annual Budget Bylaw. These recommendations have been reflected in the attached Annual Budget Bylaw, *Appendix A*.

## 4.0 POINTS FOR CONSIDERATION

### **Statement 2 – Revenues**

- a) The Annual Budget is based on a projected enrolment of 24,535 school age full-time equivalent ("FTE") and 430 International student FTE. The District has conservatively projected student enrolment growth for the 2023/2024 Annual Budget; however, any additional student enrolment growth in the Fall will be reflected in the 2023/2024 Amended Budget Bylaw.
- b) An increase in the student enrolment and the per pupil funding rate of 9.4% from the prior year caused an overall increase in the District's operating grant of \$22.28M. This increase in the operating grant is comprised of:

	2023-2024 Annual Budget					
	FTE			Funding		
	F24 Annual	F23 Amended	FTE Change	Rate Change	Enrolment Change	Total \$
<u>General</u>						
Student Enrolment	23,974.9375	23,774.9375	200.0000	17,593,454	1,725,000	19,318,454
Alternate Education	275.0000	278.0000	(3.0000)	205,720	(25,875)	179,845
Distributed Learning	175.0000	167.5625	7.4375	100,537	51,765	152,302
Adult	8.0000	7.8750	0.1250	3,741	688	4,429
<u>Special Education</u>						
- Level 1	18.0000	18.0000	0.0000	75,960	0	75,960
- Level 2	1,374.0000	1,274.0000	100.0000	2,548,000	2,328,000	4,876,000
- Level 3	240.0000	235.0000	5.0000	237,350	58,800	296,150
<u>Other</u>						0
ELL	1,466.0000	1,166.0000	300.0000	174,900	520,500	695,400
Summer Learning	248.0000	227.0000	21.0000	4,941	5,145	10,086
Indigenous	3,169.0000	3,129.0000	40.0000	453,705	68,400	522,105
	30,947.9375	30,277.3750	670.5625	21,398,308	4,732,423	26,130,731
FEB/MAY Mid Yr DL Funding				162,887	(58,458)	104,429
Curriculum and Learning Support Fund				2,789	0	2,789
Equity of Opportunity Supplement				54,171	0	54,171
Unique Geographic Factors				519,345	0	519,345
Salary Differential				23,609	0	23,609
Other Adjustments				(44,410)	0	(44,410)
Adjustments				718,391	(58,458)	659,933
Labour Settlement Funds				(4,513,648)		(4,513,648)
<b>Total Change</b>				<b>17,603,051</b>	<b>4,673,965</b>	<b>22,277,016</b>

- c) In 2022/2023, the District received \$9.21M of labour settlement funding to cover the 4% grid increase for excluded staff, Principals and Vice-Principals plus the 3.25% grid increase for both teaching and support staff. In 2023/2024, the District received \$4.69M of labour settlement funding to cover the 6.75% grid increase for excluded staff, Principals and Vice-Principals, plus the 1.25% cost of living allowance increase for both teaching and support staff. The net labour settlement funding is illustrated above (\$4.51M).
- d) With the finalization of COTA and CUPE contract negotiations, labour settlement funding was provided to offset increases to salary grids. This resulted in an increase to the Classroom Enhancement Fund ("CEF") funding. As required, CEF for the 2023/2024 Annual Budget is based on the 2022/2023 Amended Budget of 230 FTE. Remedy will be budgeted in the 2023/2024 Amended Annual Budget and is due to the Ministry of Education and Child Care in February, 2024. *Appendix C* outlines the projected teaching FTE, including the CEF teacher FTE, for the 2023/2024 year.

- e) The Student and Family Affordability Funding of \$2.397M was only provided by the Ministry of Education and Child Care for the 2022/2023 fiscal year and has been replaced by the new Feeding Futures Fund of \$2.809M for the 2023/2024 fiscal year.
- f) Schools are currently applying for Jordan's Principle funding under the new Admin Procedure, and confirmed funding will be included with the Amended Annual Budget in February, 2024.
- g) New Federal funding has been committed to support anti-gang initiatives in the District. Upon the confirmation of the contract, it is expected that the funding revenue will increase from \$160,285 to \$700,000 which will be reflected in the Amended Annual Budget in February, 2024.
- h) Transportation revenue has increased by \$225,000 due to the \$50/rider increase approved by the Board of Education for the 2023/2024 fiscal year.
- i) The 7 new childcare centers expected to open in 2023/2024 will result in an increase to Rentals and Leases revenue by \$416,945. This revenue will be offset by the related operating costs.
- j) Surplus carryforwards from the current year are not finalized until after June 30; however, in order to provide for more accurate planning, carryforward balances for the 2022/2023 fiscal year have been estimated and form a portion of the 2023/2024 Annual Budget (*Appendix B*). The estimated surplus is approximately \$3.93M. Of this \$3.93M, \$2.93M is internally restricted and \$1M is unrestricted surplus. The unrestricted surplus of approximately \$1M is significantly lower than prior years due to increased costs such as staff illness, utilities, and overall escalated costs. Any adjustments that are required for these surpluses will be made with the Amended Annual Budget in February, 2024.
- k) Similar to prior years, it is expected that some program surpluses will carry forward to supplement next year's budget.
- l) The 2023/2024 Annual Budget Bylaw for \$347,647,368 is due for submission to the Ministry of Education and Child Care by June 30, 2023.

## **Statement 2 – Expenses**

### *Instruction*

- a) Teacher salaries have increased due to an increase in FTE as a result of enrollment growth and a 6.75% grid increase due to the finalization of COTA contract negotiations.
- b) Principals and Vice-Principals received a 6.75% grid increase to match the 6.75% grid increase due to the finalization of the COTA and CUPE collective bargaining.
- c) Teacher illness costs have increased as a result of the 6.75% grid increase due to the finalization of collective bargaining plus an additional 1.5 days per FTE was added.
- d) Several Inclusive Education teacher positions were added for Social Emotional Learning, Resource, and Learning Assistance to support students with unique needs.
- e) An increase in Inclusive Education student FTE generated a need for more Certified Education Assistants (FTE) to support students with unique needs.
- f) All CUPE salaries have increased due to an increase in FTE, and 6.75% grid increase due to the finalization of CUPE collective bargaining.
- g) Increase in English Language Learning teacher FTE was added to address the drastic increase to ELL student FTE.
- h) Indigenous Education added a new lead advocate position, an additional advocate for growth, and a second District Vice-Principal.

- i) With the finalization of COTA contract negotiations, labour settlement funding was provided to offset increases to salary grids. This resulted in an increase to the Classroom Enhancement Fund (CEF) expenses.
- j) The Student and Family Affordability Funding of \$2.397M was only provided by the Ministry of Education and Child Care for the 2022/2023 year and has been replaced by the new Feeding Futures fund of \$2.809M for the 2023/2024 fiscal year.

*District Administration*

- a) Exempt staff received a 6.75% grid increase to match the 6.75% grid increase due to the finalization of the COTA and CUPE collective bargaining.
- b) A new Director of Instruction - Feeding Futures position has been added to support the new Feeding Futures program. This position is fully funded by this new program.

*Operations and Maintenance*

- a) All CUPE salaries increased as a result of the 6.75% grid increase due to the finalization of the CUPE collective bargaining.
- b) Increased insurance costs have resulted in an additional \$100,000 budgeted for the 2023/2024 fiscal year.
- c) 3 FTE custodians were added to the custodial team to support the 7 new childcare centers expected to open in 2023/2024. These costs are offset by the increase in Rentals and Leases Revenue mentioned above.
- d) Utility costs continue to increase, as well, additional utility costs are expected for the 7 new childcare centers expected to open in 2023/2024. An additional budget was added to the 2023/2024 Annual budget to offset escalated increases. Utility costs related to the 7 new childcare centers are offset by the increase in Rentals and Leases Revenue mentioned above.
- e) Fewer portables are required in 2023/2024 as compared to 2022/2023, which has resulted in a decrease in the portable relocation cost budget.
- f) Amortization of capital assets is expected to increase for the 2023/2024 year as per the Amortization Tool provided by the Ministry of Education and Child Care.

*Transportation*

- a) All CUPE salaries have increased as a result of the 6.75% grid increase due to the CUPE finalization of collective bargaining.
- b) One additional bus route has been added for the 2023/2024 year due to growth. This additional cost has been offset by the increase to rider fees by \$50 per rider.
- c) Additional fuel costs have been budgeted due to increased costs experienced in the 2022/2023 year.

**5.0 OPTIONS FOR ACTION**

- a) Approve the Annual Budget and Bylaw as presented.
- b) Make recommendations for adjustments to the budget.

**6.0 ASSISTANT SECRETARY-TREASURER'S COMMENTS**

The Annual Budget Bylaw presented is recommended based on the current fiscal situation. Priority is being given to maintaining the integrity of the educational program in classrooms and to the achievement of the District's goals and strategic priorities.

## **7.0 RECOMMENDATIONS:**

**THAT: The Board of Education of School District No. 23 (Central Okanagan) give first reading to the School District No. 23 (Central Okanagan) Annual Budget Bylaw for the Fiscal Year 2023/2024 in the amount of \$347,647,368.**

**THAT: The Board of Education of School District No. 23 (Central Okanagan) give second reading to the School District No. 23 (Central Okanagan) Annual Budget Bylaw for the Fiscal Year 2023/2024 in the amount of \$347,647,368.**

**THAT: The Board of Education of School District No. 23 (Central Okanagan) give all three readings to the School District No. 23 (Central Okanagan) Annual Budget Bylaw for the Fiscal Year 2023/2024 in the amount of \$347,647,368.**

**THAT: The Board of Education of School District No. 23 (Central Okanagan) give third reading and adopt the School District No. 23 (Central Okanagan) Annual Budget Bylaw for the Fiscal Year 2023/2024 in the amount of \$347,647,368 on the 28<sup>th</sup> day of June, 2023.**

## **8.0 APPENDICES**

- A. 2023/2024 Annual Budget Bylaw
- B. 2022/2023 Estimated Surplus Appropriation Analysis
- C. 2023/2024 Projected Teacher Staffing