



Memorandum

Date: February 7, 2025
To: Finance and Planning Committee
From: Delta Carmichael, Secretary-Treasurer/CFO
Action Item: **2024/2025 Amended Annual Budget Bylaw**

1.0 ISSUE STATEMENT

Typically, the Ministry of Education and Child Care requires that the Amended Annual Budget be prepared, adopted by Bylaw and submitted by the end of February each year. With the funding announcement delayed this year to the end of January 2025, the filing deadline has been moved forward to March 28, 2025.

2.0 RELEVANT BOARD MOTION/DIRECTION

None.

3.0 BACKGROUND

Each February, the Board submits an Amended Annual Budget reflecting updated revenues and expenses based on actual student enrolment and actual expenditure patterns. The Amended Annual Budget (see Appendix A) includes the Operating, Special Purpose and Capital Funds. The 2024/2025 Amended Budget Bylaw amount is \$384,094,443.

4.0 POINTS FOR CONSIDERATION

Statement 2 - Revenues

Operating Fund (Schedule 2A)

- a) The 2024/2025 Annual Budget was originally built on a projected student enrolment of 400 FTE which was aligned with prior trends. The 3-year average of student enrolment growth is 520 FTE (2.22%) and the 6-year average of student enrolment growth is 434 FTE (1.90%).
- b) In September 2024, the overall funded student enrolment, excluding adult, alternate and online enrolment, was lower than anticipated, with a 153 student FTE increase versus the 400 student FTE increase originally projected. This decrease in enrolment resulted in a \$2.2M budget adjustment to the 2024/2025 Amended Annual Budget as illustrated on the next page (*highlighted in yellow*).

2024-2025 Amended Budget						
	FTE			Funding		
	F25 Amended	F25 Annual	FTE Change	Rate Change	Enrolment Change	Total \$
<u>General</u>						
Student Enrolment	24,563.3750	24,812.8750	(249.5000)	1	(2,224,294)	(2,224,293)
Continuing Education	2.5000	0.0000	2.5000	0	22,288	22,288
Alternate Education	305.0000	285.0000	20.0000	0	178,300	178,300
Distributed Learning	120.8750	125.0000	(4.1250)	0	(29,700)	(29,700)
Homeschoolers	58.0000	69.0000	(11.0000)	0	(2,750)	(2,750)
Adult	6.4375	7.0000	(0.5625)	0	(3,201)	(3,201)
	25,056.1875	25,298.8750	(242.6875)	1	(2,059,357)	(2,059,356)
<u>Inclusive Education</u>						
- Level 1	22.0000	19.0000	3.0000	0	152,190	152,190
- Level 2	1,517.0000	1,536.0000	(19.0000)	0	(457,330)	(457,330)
- Level 3	261.0000	245.0000	16.0000	0	194,560	194,560
<u>Other</u>						
ELL	1,910.0000	1,935.0000	(25.0000)	0	(44,875)	(44,875)
Summer Learning	0.0000	68.1900	(68.1900)	0	(15,162)	(15,162)
Indigenous	3,110.0000	3,213.0000	(103.0000)	0	(182,310)	(182,310)
				0	(352,927)	(352,927)
Local Education Agreement				(109,074)	0	(109,074)
Equity of Opportunity Supplement				(5,576)	0	(5,576)
Salary Differential				(741,123)	0	(741,123)
Course Challenges				0	(1,395)	(1,395)
				(855,773)	(1,395)	(857,168)
Labour Settlement Funds				2,851,650	0	2,851,650
Total Change				1,995,878	(2,413,679)	(417,801)

- c) Also identified above, \$2.8M of labour settlement funds were received after the 2024/2025 Annual Budget was approved in June of 2024. The purpose of these funds was to cover the 1% cost of living allowance increase for teachers, support staff, principals, vice principals and exempt staff in the 2024/2025 school year that was not originally in the 2024/2025 Annual Budget.
- d) The District received \$335,315 in additional Jordan's Principle funding from Indigenous Services Canada for the 2024/2025 school year. This funding is being utilized to fund additional CEA and classroom support staff for Indigenous students.
- e) In the prior year, the District received \$672,335 in funding for the Building Safer Communities program from Public Safety Canada (Building Safer Communities), in

partnership with the City of Kelowna. The purpose of this funding was to allow the District and City of Kelowna to add additional programs and support to combat gang activity in schools. For the 2024/2025 school year, the management of these funds was redirected to the City of Kelowna who is now responsible for the administration of both the additional programs and the financial management.

- f) To help alleviate the reduction of student FTE mentioned above, 20 International Education student FTE were added in September 2024, with an additional 5 FTE expected in the second semester.

Special Purpose Fund (Schedule 3A)

- a) The District requested and received an additional \$5.9M in Classroom Enhancement Fund (CEF) funding over what was reported in the 2024/2025 Annual Budget Bylaw. This increase in funding allowed the District to add approximately 35 FTE additional teachers into specific schools to better support classroom composition challenges.
- b) Revenues from School Generated Funds increased by \$3M over what was reported in the 2024/2025 Annual Budget Bylaw. The increase better represents fees collected in schools.

Statement 2 - Expenses

Instruction

- a) As discussed at the September 18, 2024, Finance and Planning Committee meeting, there were many inflationary costs that exceeded the budget when the June 30, 2024, audited financial statements were presented resulting in a budget pressure of approximately \$2.2 million.
 - i. Senior staff worked collaboratively to identify the above \$2.2M in savings. Where possible, unfilled positions were left vacant to avoid direct impact to existing positions.
- b) Increase in Jordan's Principle funded CEAs costs due to an increase in approved applications.
- c) Teacher illness increased by .5 additional day per teacher FTE (12 days in total).
- d) The labour settlement funds mentioned above generated an increase in the wages and related benefits costs for teachers, support staff, principals, vice-principals and exempt staff.
- e) CEF funded teacher salaries and benefits increased by 35 FTE due to enrolment and composition needs. Also, the CEF per FTE salary and benefit costs increased over the 2024/2025 Annual Budget. This increase was fully funded.
- f) Changes to services and supplies budgeted included:
 - i. Increase in the software costs budget to better reflect the increase in the licensing costs.
 - ii. Due to a decrease in student FTE (September, 2024), several budgets were decreased when overall discretionary budgets were reduced across the District.
 - iii. Due to the change in administration of the Building Safer Communities funding, several related budget amounts were reduced to zero. These programs are now being administered by the City of Kelowna.

- iv. An additional budget was added to contracted services to better reflect increased costs of mental health support.
- v. Student and Family Affordability Fund carry forward balance from June, 2024 was higher than expected so additional budget was allocated to related expenses.
- vi. Feeding Futures Fund carry forward balance from June, 2024 was lower than expected so expense budgets were reduced to reflect this decrease.
- vii. Expenses from School Generated Funds increased by \$3M over what was reported in the 2024/2025 Annual Budget Bylaw. The increase better represents costs incurred in schools.

District Administration

- a) No significant changes noted.

Operations and Maintenance

- a) A reduction to the work order recovery budget (relates to school and/or department recovery work supported by the Operations Department) to allow the Operations Department to continue to focus on the maintenance of buildings.
- b) Amortization of capital assets revised using the Ministry of Education and Child Care calculation tool which resulted in an increase in amortization cost.

Transportation

- a) No significant changes noted.

5.0 OPTIONS FOR ACTION

- a) Approve the Amended Annual Budget and Bylaw as presented.
- b) Request a change to the Amended Annual Budget. The Amended Annual Budget will need to go directly to the Board in order to meet the Ministry's March 28, 2025 deadline.

6.0 SECRETARY-TREASURER'S COMMENTS

The recommended Amended Annual Budget properly reflects the District's expected spending patterns for the rest of the fiscal year.

7.0 STAFF RECOMMENDATION

THAT: The Finance and Planning Committee recommends to the Board:

THAT: The Board of Education of School District No. 23 (Central Okanagan) give first reading to the School District No. 23 (Central Okanagan) Amended Annual Budget Bylaw for the Fiscal Year 2024/2025 in the amount of \$384,094,443.

THAT: The Board of Education of School District No. 23 (Central Okanagan) give second reading to the School District No. 23 (Central Okanagan) Amended Annual Budget Bylaw for the Fiscal Year 2024/2025 in the amount of \$384,094,443.

THAT: The Board of Education of School District No. 23 (Central Okanagan) give all three readings to the School District No. 23 (Central Okanagan) Amended Annual Budget Bylaw for the Fiscal Year 2024/2025 in the amount of \$384,094,443.

THAT: The Board of Education of School District No. 23 (Central Okanagan) give third reading and adopt the School District No. 23 (Central Okanagan) Amended Annual Budget Bylaw for the Fiscal Year 2024/2025 in the amount of \$384,094,443 on the 19th day of February 2025.

8.0 APPENDIX

- A. 2024/2025 Amended Annual Budget Bylaw