



2016-17 Budget Summary

Overview

The 2016-17 budget delivers a financial path to long term financial sustainability that reflects the strategic plan and priorities of the board. The purpose of this report is to summarize the 2016-17 draft budget and recommendation to the board for approval.

The budget development process included public consultation on April 4, 2016 and review of the draft budget at the Business Committee of the Whole on May 3rd, 2016. Bluewater District School Board (BWDSB) is required to approve and submit its annual budget to the Ministry by June 30th, 2016.

The 2016-17 budget (Appendix 1) results in an in-year operating deficit of \$110,441, funded by the use of reserves to balance the budget. The 2016-17 budget is summarized as follows:

	Budget 2016-2017
Total Revenue	\$ 196,738,710
Total Expense	196,849,151
Operating position before use of reserves	\$ (110,441)
Use of Reserves	110,441
Net change in operating position	\$ 0

The 2016-17 budget meets the requirements under the Education Act. Section 232 of the Education Act requires a board to adopt a balanced budget. Section 232 (4) (a) states that the minister may grant an exception, allowing an in-year deficit which is the lesser of 1% of operating revenue or the board's accumulated surplus (reserves) for the prior year. The in-year allowable deficit for the 2016-17 budget is approximately \$1.8M.

The 2016-17 budget incorporates measures to assist in long term financial sustainability by:

- Responding to changes in funding levels while ensuring student achievement and well-being
- Addressing surplus school spaces
- Managing increased labour related costs
- Focusing on efficiencies and effectiveness in the stewardship of financial resources

Key Considerations

Detailed budget considerations were outlined in the 2016-17 Draft Budget Report presented to Business Committee of the Whole on May 3rd, 2016. A summary of key considerations includes:

- Declining enrolment projections; approximately 1.5% in total from the prior year
- School consolidations to address underutilized space, making more efficient use of school spaces and resulting in school operations savings

- Continued alignment of expenses to funding in Special Education
- Efficient use of resources to respond to changes in funding, contract changes and reporting requirements
- Management of increased labour costs related to illness, health benefits and contractual obligations

Changes in Revenue:

In total, revenue decreased by \$1.82M from 2015-16 Revised Estimates. The GSN is the primary source of revenue for the board, equaling 94% of total revenue. GSN revenue sources decreased by \$0.8M as the board projects declining enrolment and the Ministry continues to align funding with its School Board Efficiencies and Modernization (SBEM) strategy.

A summary of revenues by type is provided in Appendix 1 and has been categorized as GSN revenue and other revenue.

Changes in Expenses:

Budgeted expenses decreased to reflect school consolidations, the projected decline in enrolment, the phased decrease in funding and the need to align expenses to funding. Further saving opportunities were identified to accommodate known cost pressures related to collective agreements and inflation.

Key changes include the following:

- Alignment of staffing in instructional and non-classroom support to enrolment levels
- Savings in school operations resulting from school consolidations
- Reductions in department, non restricted, non salary budgets; offset by an increases from inflation and employee contractual obligations
- Alignment of the special education expenses to projected enrolment and funding envelope;
- Reduced investment in annual technology renewal and infrastructure;
- Increase in benefit costs related to the transformation to Employee Health, Life & Dental Benefits Trusts (ELHT)
- Continued pressure in the management of illness costs
- Decrease in long term debt charges, as long term debt balances are declining;
- Decrease in amortization expenses for items such as technology infrastructure, as the assets' useful life is depreciating at a faster rate than they are being replaced; and
- Inflationary increases related to statutory benefits, electricity and fuel.

Change in Net Financial Position

The funding of the \$110,441 in-year operating deficit with the use of reserves results in a balanced net financial position for 2016-17. While balancing a budget with the use of reserves is not a sustainable option, the use of reserves is minimized compared to the prior year. It creates a high risk situation going forward as the balance of reserves is not sufficient to sustain this practice in the long-term.

The ministry has previously indicated BWDSB's financial risk level was in the medium to high range. To reduce the financial risk, the board must continue to work towards balancing the budget through opportunities to increase revenue, match funding to expenditures, and address excess pupil spaces. By continuing on the plan towards financial sustainability, the board has begun to mitigate this risk and can continue to focus resources on the delivery of programs and services rather than surplus space.

Summary

The 2016-17 budget focuses on the commitment to a quality educational experience for all students, while managing ongoing financial pressures from excess capacity and declining enrolment.

While financial pressures will continue over the next few years, there are opportunities available to provide a sustainable financial position, including:

- Continued benefits from school consolidation decisions made in 2015-16
- Reducing underutilized school space
- Enhancing international student revenue
- Continuing attendance management initiatives
- Increasing reserve contributions
- Reducing unsupported debt in 2018-19

As a result, the board will be in a better position to proactively respond to the changing demands in education and continue to deliver the programs and services required to support student achievement and well-being.

Recommendation:

That the Business Committee recommend to the board that it approve the 2016-17 Operating Budget in the amount of \$196,738,710 in Revenues, \$196,849,151 in Expenditures, resulting in a ministry compliant in-year operating deficit of \$110,441, funded from reserves in the amount of \$110,441.

Submitted to
Business Committee
of the Whole Board
June 7, 2016

For further information, please contact
Rob Cummings, Superintendent of Business
Services or Renee Ouellette, Manager of
Financial Services

Bluewater District School Board

2016-17 Final Budget

PREPARING OUR STUDENTS TODAY FOR THE
WORLD OF TOMORROW

Presented to Business Committee June 7, 2016

2016-17 FINAL BUDGET

JUNE 7, 2016

TABLE OF CONTENTS

Summary 1

Enrolment 2

Projected Revenues 3

Projected Expenses by Envelope 6

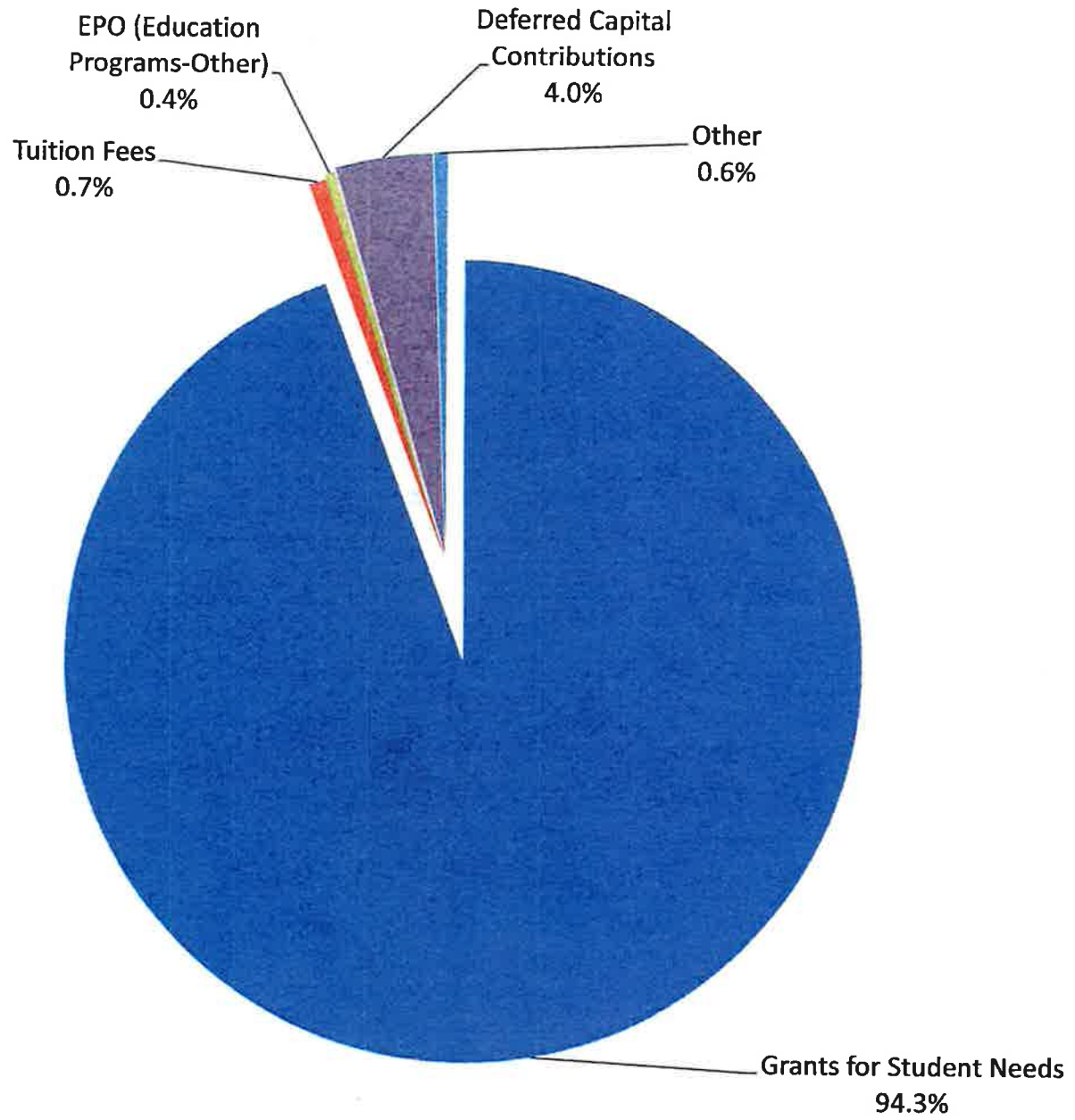
Capital Funding..... 11

**Bluewater District School Board
2016-17 Budget**

Forecasted Net Change in Operating Position	Budget 2015-2016	Revised Estimates 2015-2016	Budget 2016-2017	Change Rev Est to Budget
Total Revenue	\$ 197,178,443	\$ 198,564,199	\$ 196,738,710	\$ (1,825,489)
Total Expense	\$ 197,628,723	\$ 200,114,738	\$ 196,849,151	\$ 3,265,587
Operating position before use of reserves	\$ (450,280)	\$ (1,550,539)	\$ (110,441)	\$ 1,440,098
Use of Reserves				
Use of previous year carry-forward for committed projects	0	1,095,259	0	(1,095,259)
Transfer (to)/from other reserves	450,280	455,280	110,441	(344,839)
	<u>450,280</u>	<u>1,550,539</u>	<u>110,441</u>	<u>(1,440,098)</u>
Net change in operating position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Bluewater District School Board
Average Daily Enrolment

	Actual 2014-15	Budget 2015-16	Revised Est 2015-16	Budget 2016-17	Variance 2016-17 Budget to Rev Est	Variance Budget Yr/Yr
Elementary	11,409.0	11,267.0	11,283.0	11,293.0	10.0	26.0
Secondary	4,899.4	4,745.0	4,781.0	4,527.0	(254.0)	(218.0)
High Credit	37.4	30.0	30.0	30.0	-	-
Total Secondary	4,936.8	4,775.0	4,811.0	4,557.0	(254.0)	(218.0)
Total Enrolment	16,345.8	16,042.0	16,094.0	15,850.0	(244.0)	(192.0)



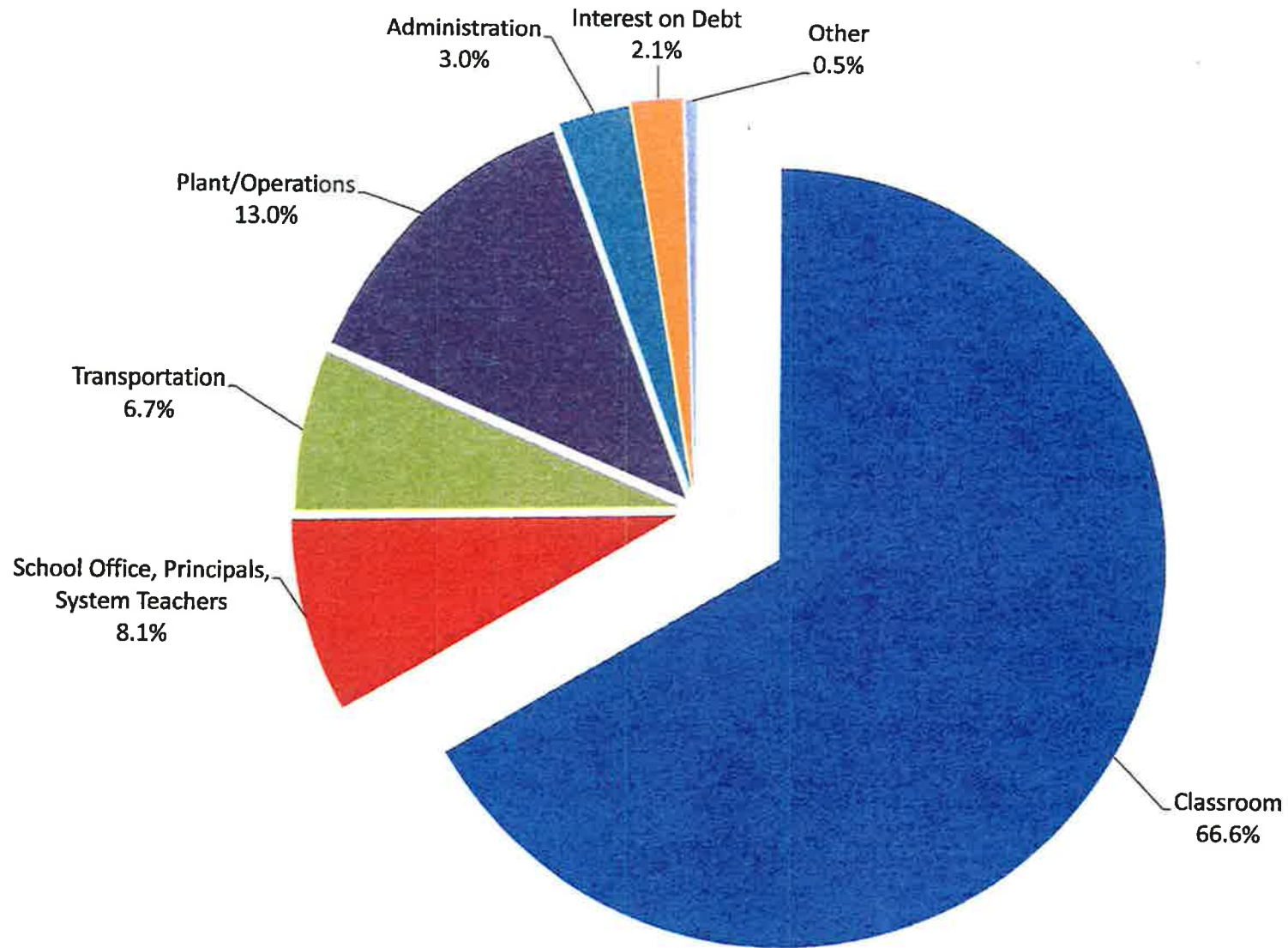
Bluewater District School Board
Projected Revenues

	Budget 2015-16	Revised Estimates 2015-16	Budget 2016-17	Variance Budget to Revised Estimates
<u>GSN (Grants for Student Needs)</u>				
Pupil Foundation	\$ 84,490,139	\$ 84,920,547	\$ 84,438,657	\$ (481,890)
School Foundation	12,854,223	12,911,567	12,570,862	(340,705)
Special Education	23,752,302	23,851,170	23,331,639	(519,531)
Special Education deferred revenue	-	262,271	-	(262,271)
Language	2,227,563	2,228,740	2,237,973	9,233
Geographical Circumstances	1,582,419	1,579,312	1,377,377	(201,935)
Learning Opportunity	3,086,251	3,081,361	3,334,041	252,680
Con Ed Summer School	258,271	258,355	257,989	(366)
Qualification and Experience (Teachers/ECEs)	14,660,647	13,670,951	15,390,652	1,719,701
New Teacher Induction Program (NTIP)	104,018	104,018	104,018	-
Restraint Savings	(83,747)	(83,747)	(83,747)	-
Transportation (including fuel increase)	13,099,326	12,964,832	13,081,077	116,245
Administration and Governance	4,998,343	5,009,581	5,280,638	271,057
Trustees Association Fee	43,316	43,316	43,316	-
School Operations	18,128,246	18,065,332	17,887,263	(178,069)
Community use of schools	247,703	247,703	251,683	3,980
Declining Enrolment Adjustment	727,918	509,224	600,000	90,776
FNMI Allocation for Native Studies and Language	794,477	782,925	883,352	100,427
Safe Schools	344,387	345,659	342,862	(2,797)
Permanent Financing of NPF	788,530	788,530	788,530	-
Anticipated additional revenue for collective agreements	-	1,462,688	-	(1,462,688)
Subtotal: General Operating Allocation	\$ 182,104,332	\$ 183,004,335	\$ 182,118,182	\$ (886,153)
<u>Deduct: Capital Adjustment</u>				
Allocation for ICT Capital Technology Expenditures	(673,000)	(870,000)	(251,000)	619,000
Total: Operating Allocation	\$ 181,431,332	\$ 182,134,335	\$ 181,867,182	\$ (267,153)

Bluewater District School Board

Projected Revenues

	Budget 2015-16	Revised Estimates 2015-16	Budget 2016-17	Variance Budget to Revised Estimates
<u>Capital Allocation</u>				
School Renewal (Debt Servicing)	234,465	234,465	234,465	-
Debt Interest Payments	3,583,925	3,583,925	3,439,356	(144,569)
Total Capital Allocation	\$ 3,818,390	\$ 3,818,390	\$ 3,673,821	\$ (144,569)
TOTAL ALLOCATION-GSN	\$ 185,249,722	\$ 185,952,725	\$ 185,541,003	\$ (411,722)
Other Revenue				
EPO Grants (Education Programs-Other)	1,736,552	2,116,218	860,686	(1,255,532)
OYAP (Ministry)	119,382	119,382	119,382	-
Anticipated Fuel Increase (transportation)				-
First Nations Tuition	1,715,117	1,350,791	1,366,656	15,865
International Students Tuition	22,000	163,100	70,000	(93,100)
Transportation Recoveries	100,000	100,000	100,000	-
Purchasing Consortia	32,000	32,000	32,000	-
OYAP (Other Boards)	107,879	106,168	106,168	-
Cost Recovery - Bluewater Education Foundation for OEC	35,000	116,000	35,000	(81,000)
Bank Interest	40,000	40,000	40,000	-
Continuing Education Fees	458,000	458,000	458,000	-
Rental Revenue - Community Use	121,000	121,000	121,000	-
Grant Sharing	70,761	72,472	72,472	-
Federation Release Recovery	38,000	38,000	38,000	-
Amortization Recovery from DCC	7,333,030	7,778,343	7,778,343	-
TOTAL ALLOCATION Other Revenue	\$ 11,928,721	\$ 12,611,474	\$ 11,197,707	\$ (1,413,767)
Total Anticipated Revenue	\$ 197,178,443	\$ 198,564,199	\$ 196,738,710	\$ (1,825,489)



Bluewater District School Board
Projected Expenses by Envelope

	Budget 2015-16	Revised Estimates 2015-16	Budget 2016-17	Variance Budget to Rev Est Incr/(Decr)
Classroom Teachers				
Salaries & Wages	\$ 87,846,460	\$ 88,570,560	\$ 87,173,980	\$ (1,396,580)
Employee Benefits	12,439,837	12,734,400	12,835,608	101,208
Supplies & Services	84,966	84,966	72,985	(11,981)
Fees & Contractual	12,000	12,000	12,000	-
Total Classroom Teachers	100,383,263	101,401,926	100,094,573	(1,307,353)
Supply Teachers				
Wages	3,287,449	3,287,449	3,337,319	49,870
Benefits	290,162	290,162	285,690	(4,472)
Total Supply Teachers	3,577,611	3,577,611	3,623,009	45,398
Educational Assistants				
Salaries & Wages - Regular	8,036,640	8,243,419	7,867,850	(375,569)
Employee Benefits - Regular	2,405,389	2,460,881	2,375,219	(85,662)
Salaries & Wages - Supply	1,212,227	1,212,227	1,195,527	(16,700)
Employee Benefits - Supply	120,073	120,073	118,873	(1,200)
Total Educational Assistants	11,774,329	12,036,600	11,557,469	(479,131)
Early Childhood Educators				
Salaries & Wages	3,431,402	3,431,402	3,360,564	(70,838)
Employee Benefits	955,123	955,123	934,893	(20,230)
Total Early Childhood Educators	4,386,525	4,386,525	4,295,457	(91,068)
Classroom Computers				
Supplies & Services	947,360	1,136,360	1,125,342	(11,018)
Interest Charges On Capital	3,667	3,667	-	(3,667)
Fees & Contractual	690,500	690,500	743,500	53,000
Total Classroom Computers	1,641,527	1,830,527	1,868,842	38,315
Textbooks, Classroom Supplies				
Supplies & Services	2,352,081	2,587,693	2,407,655	(180,038)
Fees & Contractual	387,050	387,050	368,062	(18,988)
Amortization	1,354,638	1,375,419	1,264,638	(110,781)
Total Textbooks, Classroom Supplies	4,093,769	4,350,162	4,040,355	(309,807)

Bluewater District School Board
Projected Expenses by Envelope

	Budget 2015-16	Revised Estimates 2015-16	Budget 2016-17	Variance Budget to Rev Est Incr/(Decr)
Professionals/Para Professionals				
Salaries & Wages	3,449,247	3,522,315	3,530,673	8,358
Employee Benefits	1,024,980	1,064,959	1,074,596	9,637
Supplies & Services	164,838	164,838	160,566	(4,272)
Fees & Contractual	58,750	58,750	81,000	22,250
Total Professionals/Para Professionals	4,697,815	4,810,862	4,846,835	35,973
Library Technicians				
Salaries & Wages	87,727	87,727	89,847	2,120
Employee Benefits	23,587	23,587	27,901	4,314
Total Library Technicians	111,314	111,314	117,748	6,434
Staff Development				
Salaries & Wages	434,709	624,542	525,575	(98,967)
Employee Benefits	18,780	18,780	18,750	(30)
Staff Development	545,519	596,000	140,095	(455,905)
Total Staff Development	999,008	1,239,322	684,420	(554,902)
Coordinators/Consultants				
Salaries & Wages	2,296,763	2,275,456	2,127,200	(148,256)
Employee Benefits	334,205	327,735	339,108	11,373
Supplies & Services	69,194	69,194	45,982	(23,212)
Fees & Contractual	650	650	250	(400)
Total Coordinators/Consultants	2,700,812	2,673,035	2,512,540	(160,495)
Principals/Vice Principals				
Salaries & Wages	7,353,959	7,353,959	7,214,854	(139,105)
Employee Benefits	1,291,964	1,291,964	1,263,189	(28,775)
Staff Development	25,000	25,000	27,200	2,200
Supplies & Services	11,254	11,254	25,716	14,462
Total Principals/Vice Principals	8,682,177	8,682,177	8,530,959	(151,218)
School Office				
Salaries & Wages	3,380,354	3,380,354	3,444,168	63,814
Employee Benefits	961,105	961,105	985,332	24,227
Staff Development	5,000	5,000	5,000	-
Supplies & Services	392,893	392,893	423,464	30,571
Fees & Contractual	1,500	1,500	16,500	15,000
Total School Office	4,740,852	4,740,852	4,874,464	133,612

Bluewater District School Board
Projected Expenses by Envelope

	Budget 2015-16	Revised Estimates 2015-16	Budget 2016-17	Variance Budget to Rev Est Incr/(Decr)
Transportation				
	251588.98			
Salaries & Wages	254,805	254,805	255,308	503
Employee Benefits	72,774	72,774	74,266	1,492
Staff Development	1,000	1,000	1,000	-
Supplies & Services	52,822	52,822	52,822	-
Rent	13,400	13,400	14,014	614
Fees & Contractual	12,815,011	12,707,390	12,773,477	66,087
Total Transportation	13,209,812	13,102,191	13,170,887	68,696
Operations and Maintenance				
Salaries & Wages	8,066,099	8,102,615	7,740,442	(362,173)
Employee Benefits	2,446,919	2,467,166	2,324,419	(142,747)
Staff Development	13,000	13,000	13,000	-
Supplies & Services	5,897,176	5,897,176	5,784,348	(112,828)
Fees & Contractual	2,014,506	2,014,506	2,054,873	40,367
Amortization	7,273,788	7,607,844	7,607,844	-
Total Operations and Maintenance	25,711,488	26,102,307	25,524,926	(577,381)
Continuing Education				
Salaries & Wages	447,073	447,073	381,439	(65,634)
Employee Benefits	77,065	77,065	65,146	(11,919)
Staff Development	7,022	7,022	6,000	(1,022)
Supplies & Services	64,350	64,350	75,550	11,200
Fees & Contractual	313,000	313,000	258,000	(55,000)
Total Continuing Education	908,510	908,510	786,135	(122,375)
Trustees				
Salaries & Wages	105,216	105,216	106,335	1,119
Employee Benefits	2,544	2,544	3,121	577
Staff Development	17,000	17,000	20,000	3,000
Supplies & Services	23,257	23,257	22,757	(500)
Total Trustees	148,017	148,017	152,213	4,196

Bluewater District School Board
Projected Expenses by Envelope

	Budget 2015-16	Revised Estimates 2015-16	Budget 2016-17	Variance Budget to Rev Est Incr/(Decr)
Supervisory Officers				
Salaries & Wages	636,490	636,490	636,490	-
Employee Benefits	113,057	113,057	112,762	(295)
Staff Development	12,600	12,600	10,650	(1,950)
Supplies & Services	66,380	66,380	65,650	(730)
Total Supervisory Officers	828,527	828,527	825,552	(2,975)
Administration				
Salaries & Wages	2,175,726	2,232,806	2,455,896	223,090
Employee Benefits	667,045	687,756	731,749	43,993
Staff Development	20,900	20,900	21,250	350
Supplies & Services	428,820	459,820	436,466	(23,354)
Interest Charges On Capital	383,416	383,416	371,164	(12,252)
Fees & Contractual	513,200	555,315	638,558	83,243
Amortization	237,381	237,381	237,381	-
Total Administration	4,426,488	4,577,394	4,892,464	315,070
School Renewal				
Interest Charges On Capital	134,465	134,465	122,417	(12,048)
Fees & Contractual		0	-	-
Amortization	100,000	100,000	100,000	-
Total School Renewal	234,465	234,465	222,417	(12,048)
Debt Charges				
New Pupil Places	1,107,276	1,107,276	1,047,273	(60,003)
Good Places to Learn	1,523,668	1,523,668	1,466,969	(56,699)
Priority Capital Projects	952,940	952,940	925,114	(27,826)
Total Debt Charges	3,583,884	3,583,884	3,439,356	(144,528)
Other Expenses				
55 Board Trust	788,530	788,530	788,530	-
Total Other Expenses	788,530	788,530	788,530	-
Grand Total	\$ 197,628,723	\$ 200,114,738	\$ 196,849,151	\$ (3,265,587)

Bluewater District School Board
Capital Funding

	Revised Estimates 2015-16	Budget 2016-17	Variance Incr/(Decr)
School Renewal	\$ 3,123,896	\$ 3,132,884	\$ 8,988
School Condition Improvement	5,104,453	5,104,453	0
	<u>\$ 8,228,349</u>	<u>\$ 8,237,337</u>	<u>\$ 8,988</u>