

2017-18 Budget Summary

Overview

The 2017-18 budget continues on the path to long-term financial sustainability that reflects the strategic plan and priorities of the board. The 2017-18 budget continues the delivery of a strong education system, with investments that focus on student achievement and well-being in a long-term, financially sustainable manner. The purpose of this report is to summarize the 2017-18 budget and recommendation to the board for approval.

The budget development process included public consultation and review of the draft budget at the Business Committee of the Whole on May 16, 2017. Bluewater District School Board (BWDSB) is required to approve and submit its annual budget to the Ministry by June 30, 2017.

The 2017-18 budget (Appendix 1) results in an in-year operating surplus of \$45,000, with the surplus transferred to reserves for unexpected events. The 2017-18 budget is summarized as follows:

	Budget 2017-18
Total Revenue	\$ 203,897,135
Total Expense	\$ 203,852,135
Operating position before use of reserves	\$ 45,000
Use of previous year carry-forward for committed projects	0
Transfer from reserves	387,086
Transfer to reserves	(432,086)
Net change in operating position surplus/(deficit)	\$0

The 2017-18 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 2017-18 budget is approximately \$1.9M.

The 2017-18 budget continues the board's commitment to provide quality education to its students and meet the priorities of the strategic plan through the following measures:

- Implementing investments outlined in 2017-18 labour agreements including class size reductions, additional staffing for special education, programming and other system investments
- 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

The board is currently on a path to near-term and long-term financial stability with a plan based on the management of surplus space, increased reserve contributions and the effective stewardship of financial resources. The plan will need to continue in order to effectively manage current budget pressures and create a financially sustainable future. With continued pressure to effectively manage labour costs that exceed funding, savings from addressing surplus space is the main driver to delivering a balanced budget.

The 2017-18 budget returns BWDSB to a balanced budget, with a continued focus on the effective management of resources into the future. Difficult decisions to align resources with funding have resulted in a short term balanced financial position, to be sustained in the future through continued management of student achievement and well-being in a long-term, financially sustainable manner.

Key Considerations

Detailed budget considerations were outlined in the 2017-18 Draft Budget Report presented to Business Committee of the Whole on May 16, 2017. A summary of key considerations includes:

- Declining enrolment projections; approximately 1% 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
- Additional funding for staffing to reduce class sizes in Full Day Kindergarten and Grades 4-8
- Additional funding for special education staffing, professional development, program and other system investments in 2017-18 and 2018-19
- Continued alignment of funding to expenditures
- Efficient use of resources to respond to changes in funding, contract changes and reporting requirements
- Continued management of increased replacement costs and contractual obligations
- Reduction in Technology Master Plan funding, impacting the delivery of technology
- Continued focus on reserve contributions to ensure unexpected events do not impact the delivery of education services

Changes in Revenue:

In total, revenue increased by \$4.4M from 2016-17 Revised Estimates, mainly related to additional funding for class size reductions, special education staffing and other system investments announced in the 2017-18 GSN through the Local Priorities Fund and Pupil Foundation Grant. The GSN is the primary source of revenue for the board, equaling 94% of total revenue. Other GSN funding sources changed based on declining enrolment and the final phase-in of the 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 increased to reflect investments in staffing announced in the 2017-18 GSN, school consolidations, the projected decline in enrolment, the final phase-in of SBEM strategy and the need to align expenses to funding.

Key changes include the following:

- Alignment of staffing in instructional and non-classroom support to additional funding and enrolment levels
- Savings in school operations resulting from school consolidations
- Alignment of the special education expenses to projected enrolment and funding envelope;
- Reduced investment in annual technology renewal and infrastructure;
- Continued pressure in the management of replacement costs
- Inflationary increases related to statutory benefits, electricity and fuel

Change in Net Financial Position

The 2017-18 budget results in a \$45,000 in-year operating surplus, with the surplus transferred to reserves for unexpected events. The 2017-18 surplus reflects savings generated from school consolidations, offset by the increased labour related costs. Given the current budget pressures related to absences, a continued focus on reserve contributions is required to ensure these factors do not impact the delivery of educational services.

Budgeting for an in-year operating surplus is a significant step forward in the path to long-term financial sustainability. The surplus is a direct result of effectively responding to changes in funding levels while ensuring student achievement and well-being. Difficult decisions made regarding balancing envelopes, school consolidations and resource efficiencies have resulted in a stronger financial position.

Going forward, the board must continue to focus on the efficient use of resources and managing costs within funding levels to ensure the delivery of a strong education system in the future. The ministry has previously indicated BWDSB's financial risk level was in the medium to high range. By continuing on the plan towards financial sustainability, the board has begun to minimize this risk and can continue to focus resources on the delivery of programs and services rather than surplus space.

Summary

The 2017-18 budget focuses on investments in student achievement and well-being in a long-term, financially sustainable manner. Additional ministry investments in special education, programming and other system priorities will advance strategic priorities. The 2017-18 budget reflects the importance of managing, in an effective and efficient manner, to provide flexibility to respond to future budget pressures. The short term financial position is balanced, requiring continued management of resources and excess spaces to ensure long-term financial sustainability.

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

- Continuing attendance support initiatives
- Further management of school space
- 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 2017-18 Operating Budget, resulting in an in-year operating surplus of \$45,000, with the surplus transferred to reserves in the amount of \$45,000.

Submitted to Business Committee of the Whole
Bluewater District School Board
June 6, 2017

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Bluewater District School Board

2017-18 Final Budget

PREPARING OUR STUDENTS TODAY FOR THE
WORLD OF TOMORROW

Presented to Business Committee June 6, 2017

2017-18 Final BUDGET

June 6, 2017

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**Bluewater District School Board
2017-18 Budget**

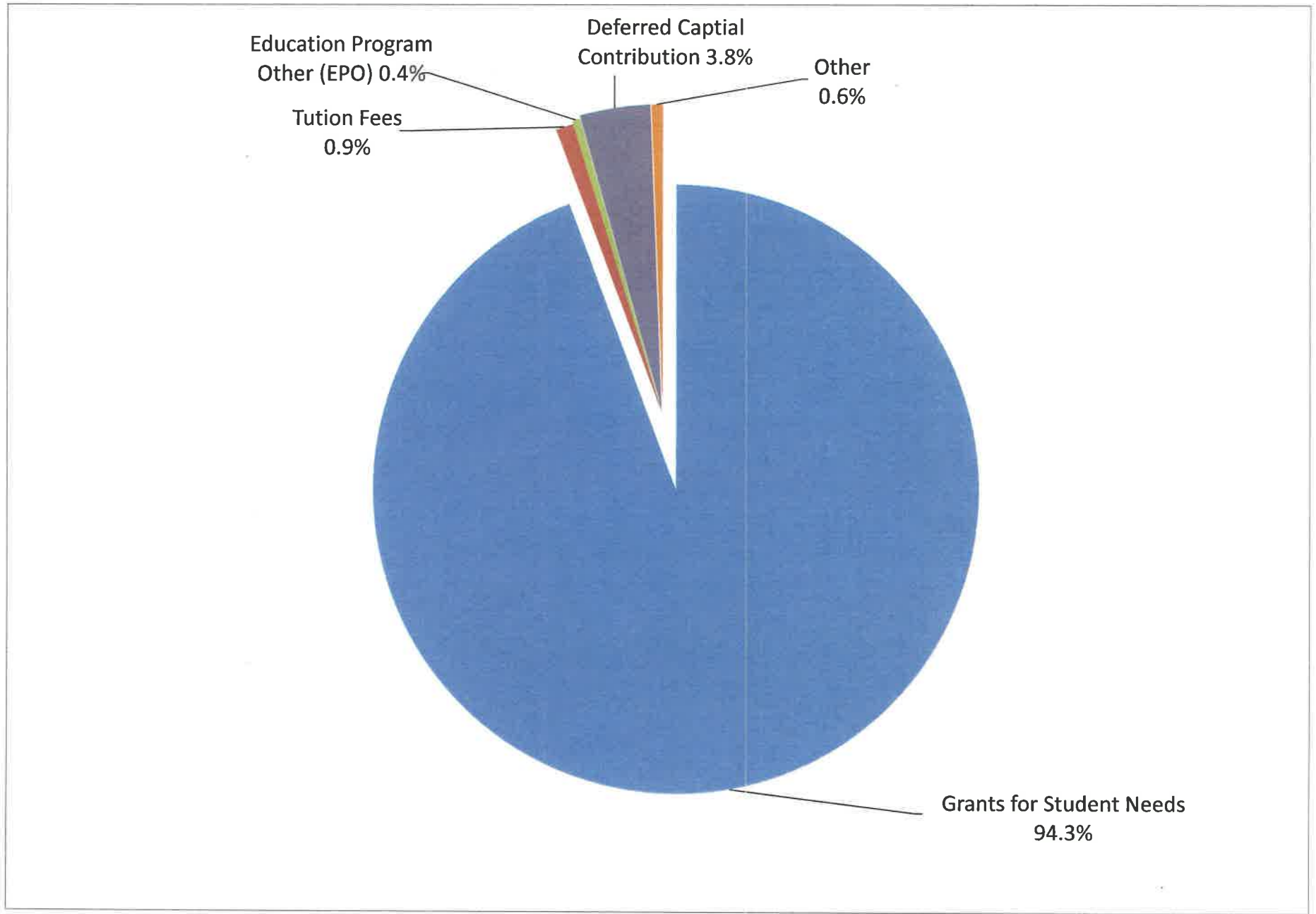
Forecasted Net Change in Operating Position	Budget 2016-17	Revised Estimates 2016-2017	Budget 2017-18	Variance Budget to Revised Estimates
Total Revenue	\$ 196,738,710	\$ 199,513,016	\$ 203,897,135	\$ 4,384,119
Total Expense	\$ 196,849,151	\$ 199,688,498	\$ 203,852,135	\$ 4,163,637
Operating position before use of reserves	\$ (110,441)	\$ (175,482)	\$ 45,000	\$ 220,482
Use of Reserves				
Use of previous year carry-forward for committed projects	0	546,528	0	(546,528)
Transfer from reserves	110,441	23,500	387,086	363,586
Transfer to reserves	0	(394,546)	(432,086)	(37,540)
	110,441	175,482	(45,000)	(220,482)
Net change in operating position Surplus/(Deficit)	\$ 0	\$ 0	\$ 0	\$ 0

Bluewater District School Board

Average Daily Enrolment

	Actual 2015-16	Budget 2016-17	Revised Est 2016-17	Budget 2017-18	Variance 2017-18 Budget to Rev Est
Elementary					
Pupils of the Board	11,216	11,216	11,407	11,457	50
Indigenous Tuition Paying Students	80	77	92	92	-
Total	11,296	11,293	11,499	11,549	50
Secondary					
Pupils of the Board	4,717	4,480	4,435	4,247	(188)
Indigenous Tuition Paying Students	48	47	50	48	(2)
International Tuition Paying Students	18	-	36	28	(8)
High Credit Pupils	43	30	36	36	-
Total	4,826	4,557	4,557	4,359	(198)
Total Enrolment	16,122	15,850	16,056	15,908	(148)

Bluewater District School Board
Projected Revenues

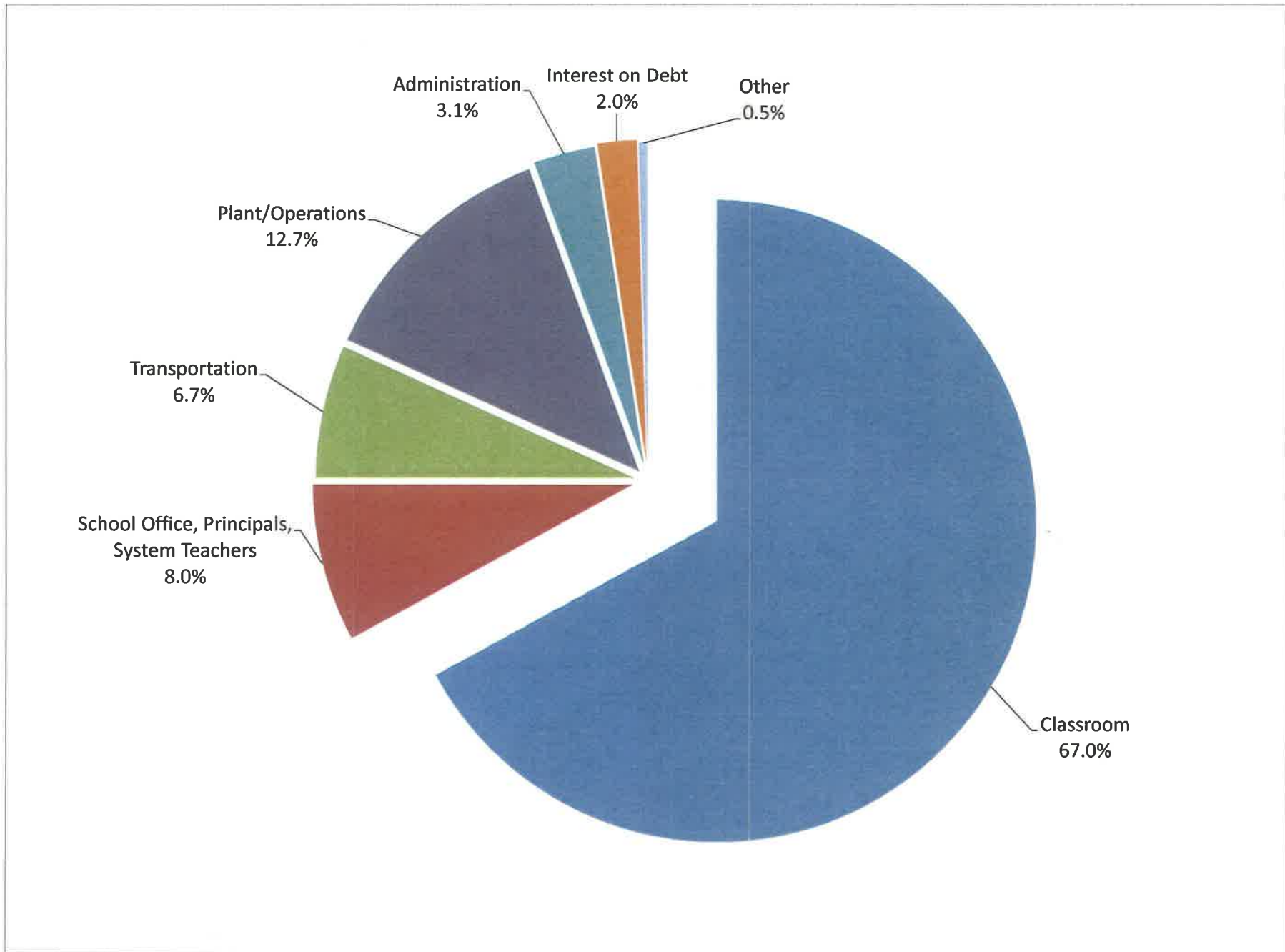


Bluewater District School Board
Projected Revenues

	Budget 2016-17	Revised Estimates 2016-17	Budget 2017-18	Variance Budget to Revised Estimates
<u>GSN (Grants for Student Needs)</u>				
Pupil Foundation	\$ 84,438,657	\$ 85,204,129	\$ 85,982,133	\$ 778,004
School Foundation	12,570,862	12,775,102	12,929,262	154,160
Special Education	23,331,639	23,468,527	23,767,195	298,668
Language	2,237,973	2,246,497	2,282,832	36,335
Geographical Circumstances	1,377,377	1,237,263	1,042,262	(195,001)
Learning Opportunity	3,334,041	3,448,571	5,215,818	1,767,247
Con Ed Summer School	257,989	284,866	288,137	3,271
Qualification and Experience (Teachers/ECEs)	15,390,652	15,114,637	16,129,371	1,014,734
New Teacher Induction Program (NTIP)	104,018	160,474	160,474	-
Restraint Savings	(83,747)	(83,747)	(83,747)	-
Transportation (including fuel increase)	13,081,077	13,051,996	13,461,249	409,253
Administration and Governance	5,280,638	5,392,814	5,602,508	209,694
Trustees Association Fee	43,316	43,316	43,316	-
School Operations	17,887,263	17,876,702	18,521,180	644,478
Community use of schools	251,683	251,683	255,826	4,143
Declining Enrolment Adjustment	600,000	470,527	307,073	(163,454)
Indigenous Education Supplement	883,352	937,848	962,302	24,454
Safe Schools	342,862	344,848	346,068	1,220
Permanent Financing of NPF	788,530	788,530	788,530	-
Subtotal: General Operating Allocation	\$ 182,118,182	\$ 183,014,583	\$ 188,001,789	\$ 4,987,206
<u>Deduct: Capital Adjustment</u>				
Allocation for ICT Capital Technology Expenditures	(251,000)	(384,989)	(151,000)	233,989
Total: Operating Allocation	\$ 181,867,182	\$ 182,629,594	\$ 187,850,789	\$ 5,221,195

Bluewater District School Board
Projected Revenues

	Budget 2016-17	Revised Estimates 2016-17	Budget 2017-18	Variance Budget to Revised Estimates
<u>GSN (Grants for Student Needs)</u>				
<u>Capital Allocation</u>				
School Renewal (Debt Servicing)	234,465	234,465	209,818	(24,647)
Debt Interest Payments	3,439,356	3,439,356	3,298,383	(140,973)
Total Capital Allocation	\$ 3,673,821	\$ 3,673,821	\$ 3,508,201	\$ (165,620)
TOTAL ALLOCATION-GSN	\$ 185,541,003	\$ 186,303,415	\$ 191,358,990	\$ 5,055,575
Other Revenue				
EPO Grants (Education Programs-Other)	860,686	1,403,497	882,310	(521,187)
OYAP (Ministry)	119,382	119,382	119,382	-
Indigenous Students Tuition	1,366,656	1,542,160	1,584,629	42,469
International Students Tuition	70,000	417,685	326,200	(91,485)
Transportation Recoveries	100,000	95,000	110,000	15,000
Purchasing Consortia	32,000	32,000	32,000	-
OYAP (Other Boards)	106,168	106,168	106,168	-
Cost Recovery - Bluewater Education Foundation for OEC	35,000	46,871	35,000	(11,871)
Bank Interest	40,000	50,000	30,000	(20,000)
Continuing Education Fees	458,000	465,500	395,250	(70,250)
Day Care Rental Revenue	121,000	120,000	164,000	44,000
Grant Sharing	72,472	140,000	140,000	-
Other Revenue	38,000	36,500	127,000	90,500
Amortization Recovery from DCC	7,778,343	7,778,343	7,629,711	(148,632)
TOTAL ALLOCATION Other Revenue	\$ 11,197,707	\$ 12,353,106	\$ 11,681,650	\$ (671,456)
Other Revenue Outside of Budget	\$ -	\$ 856,495	\$ 856,495	-
Total Anticipated Revenue	\$ 196,738,710	\$ 199,513,016	\$ 203,897,135	\$ 4,384,119



Bluewater District School Board
 Projected Expenses by Envelope

	Budget 2016-17	Revised Estimates 2016-17	Budget 2017-18	Variance Budget to Revised Estimates
Classroom Teachers				
Salaries & Wages	\$ 87,173,980	\$ 87,289,017	\$ 88,968,453	\$ 1,679,436
Employee Benefits	12,835,608	12,974,832	13,818,667	843,835
Supplies & Services	72,985	72,985	49,779	(23,206)
Fees & Contractual	12,000	12,000	12,000	-
Total Classroom Teachers	100,094,573	100,348,834	102,848,899	2,500,065
Supply Teachers				
Wages	3,337,319	3,337,319	3,539,566	202,247
Benefits	285,690	285,690	308,895	23,205
Total Supply Teachers	3,623,009	3,623,009	3,848,461	225,452
Educational Assistants				
Salaries & Wages - Regular	7,867,850	7,769,789	8,032,008	262,219
Employee Benefits - Regular	2,375,219	2,572,593	2,927,351	354,758
Salaries & Wages - Supply	1,195,527	1,195,527	1,191,627	(3,900)
Employee Benefits - Supply	118,873	118,873	118,863	(10)
Total Educational Assistants	11,557,469	11,656,782	12,269,849	613,067
Early Childhood Educators				
Salaries & Wages	3,360,564	3,598,088	3,719,910	121,822
Employee Benefits	934,893	1,068,718	1,211,705	142,987
Total Early Childhood Educators	4,295,457	4,666,806	4,931,615	264,809
Classroom Computers				
Supplies & Services	1,125,342	1,137,342	1,015,896	(121,446)
Interest Charges On Capital	-	-	-	-
Fees & Contractual	743,500	743,500	878,500	135,000
Total Classroom Computers	1,868,842	1,880,842	1,894,396	13,554
Textbooks, Classroom Supplies				
Supplies & Services	2,407,655	2,603,962	2,574,454	(29,508)
Fees & Contractual	368,062	556,020	482,762	(73,258)
Amortization	1,264,638	1,264,638	1,210,157	(54,481)
Total Textbooks, Classroom Supplies	4,040,355	4,424,620	4,267,373	(157,247)

Bluewater District School Board
 Projected Expenses by Envelope

	Budget 2016-17	Revised Estimates 2016-17	Budget 2017-18	Variance Budget to Revised Estimates
Professionals/Para Professionals				
Salaries & Wages	3,530,673	3,530,673	3,589,287	58,614
Employee Benefits	1,074,596	1,033,613	1,060,804	27,191
Supplies & Services	160,566	160,566	184,474	23,908
Fees & Contractual	81,000	81,000	107,000	26,000
Total Professionals/Para Professionals	4,846,835	4,805,852	4,941,565	135,713
Library Technicians				
Salaries & Wages	89,847	89,847	91,580	1,733
Employee Benefits	27,901	28,841	30,308	1,467
Total Library Technicians	117,748	118,688	121,888	3,200
Staff Development				
Salaries & Wages	525,575	875,824	815,155	(60,669)
Employee Benefits	18,750	53,775	23,995	(29,780)
Staff Development	140,095	252,632	129,190	(123,442)
Total Staff Development	684,420	1,182,231	968,340	(213,891)
Coordinators/Consultants				
Salaries & Wages	2,127,200	2,235,523	2,310,099	74,576
Employee Benefits	339,108	353,675	356,467	2,792
Supplies & Services	45,982	45,982	43,982	(2,000)
Fees & Contractual	250	250	450	200
Total Coordinators/Consultants	2,512,540	2,635,430	2,710,998	75,568
Principals/Vice Principals				
Salaries & Wages	7,214,854	7,338,642	7,115,713	(222,929)
Employee Benefits	1,263,189	1,186,825	1,082,816	(104,009)
Staff Development	27,200	27,200	1,000	(26,200)
Supplies & Services	25,716	25,716	48,313	22,597
Total Principals/Vice Principals	8,530,959	8,578,383	8,247,842	(330,541)
School Office				
Salaries & Wages	3,444,168	3,444,168	3,568,909	124,741
Employee Benefits	985,332	1,002,447	1,107,549	105,102
Staff Development	5,000	5,000	5,000	-
Supplies & Services	423,464	423,464	409,371	(14,093)
Fees & Contractual	16,500	16,500	112,000	95,500
Total School Office	4,874,464	4,891,579	5,202,829	311,250

Bluewater District School Board
 Projected Expenses by Envelope

	Budget 2016-17	Revised Estimates 2016-17	Budget 2017-18	Variance Budget to Revised Estimates
Transportation				
Salaries & Wages	255,308	255,308	260,768	5,460
Employee Benefits	74,266	74,894	78,201	3,307
Staff Development	1,000	1,000	1,000	-
Supplies & Services	52,822	52,822	52,822	-
Rent	14,014	14,014	14,014	-
Fees & Contractual	12,773,477	12,773,477	13,162,051	388,574
Total Transportation	13,170,887	13,171,515	13,568,856	397,341
Operations and Maintenance				
Salaries & Wages	7,740,442	7,724,581	8,119,511	394,930
Employee Benefits	2,324,419	2,313,827	2,473,543	159,716
Staff Development	13,000	13,000	27,125	14,125
Supplies & Services	5,784,348	5,784,348	5,630,488	(153,860)
Rent	-	-	-	-
Fees & Contractual	2,054,873	2,114,873	1,972,475	(142,398)
Amortization	7,607,844	7,607,844	7,607,844	-
Total Operations and Maintenance	25,524,926	25,558,473	25,830,986	272,513
Continuing Education				
Salaries & Wages	381,439	345,265	350,572	5,307
Employee Benefits	65,146	56,616	57,764	1,148
Staff Development	6,000	6,000	3,500	(2,500)
Supplies & Services	75,550	75,550	96,234	20,684
Fees & Contractual	258,000	258,000	208,000	(50,000)
Total Continuing Education	786,135	741,431	716,070	(25,361)
Trustees				
Salaries & Wages	106,335	106,335	106,335	-
Employee Benefits	3,121	3,121	2,588	(533)
Staff Development	20,000	20,000	21,000	1,000
Supplies & Services	22,757	22,757	22,757	-
Total Trustees	152,213	152,213	152,680	467
Supervisory Officers				
Salaries & Wages	636,490	636,490	636,490	-
Employee Benefits	112,762	110,241	107,917	(2,324)
Staff Development	10,650	10,650	12,150	1,500
Supplies & Services	65,650	65,650	65,550	(100)
Total Supervisory Officers	825,552	823,031	822,107	(924)

Bluewater District School Board
 Projected Expenses by Envelope

	Budget 2016-17	Revised Estimates 2016-17	Budget 2017-18	Variance Budget to Revised Estimates
Administration				
Salaries & Wages	2,455,896	2,519,209	2,629,067	109,858
Employee Benefits	731,749	745,413	757,673	12,260
Staff Development	21,250	21,250	26,100	4,850
Supplies & Services	436,466	436,466	532,406	95,940
Interest Charges On Capital	371,164	371,164	358,244	(12,920)
Fees & Contractual	638,558	791,097	813,284	22,187
Amortization	237,381	237,381	237,381	-
Total Administration	4,892,464	5,121,980	5,354,155	232,175
School Renewal				
Interest Charges On Capital	122,417	122,417	109,818	(12,599)
Fees & Contractual	-	-	-	-
Amortization	100,000	100,000	100,000	-
Total School Renewal	222,417	222,417	209,818	(12,599)
Debt Charges				
New Pupil Places	1,047,273	1,047,273	984,133	(63,140)
Good Places to Learn	1,466,969	1,466,969	1,418,026	(48,943)
Priority Capital Projects	925,114	925,114	896,224	(28,890)
Total Debt Charges	3,439,356	3,439,356	3,298,383	(140,973)
Other Expenses				
55 Board Trust	788,530	788,530	788,530	-
Total Other Expenses	788,530	788,530	788,530	-
Other Expenses Outside of Budget	-	856,495	856,495	-
Total Projected Expenses	\$ 196,849,151	\$ 199,688,497	\$ 203,852,135	\$ 4,163,638

Bluewater District School Board
Capital Funding

	Revised Estimates 2016-17	Budget 2017-18	Variance Incr/(Decr)
School Renewal	\$ 3,420,560	\$ 3,426,831	\$ 6,271
School Condition Improvement	10,845,061	8,499,500	(2,345,561)
	<u>\$ 14,265,621</u>	<u>\$ 11,926,331</u>	<u>\$ (2,339,290)</u>