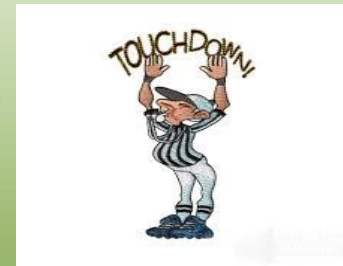


# Budget Development Process

## Budget One



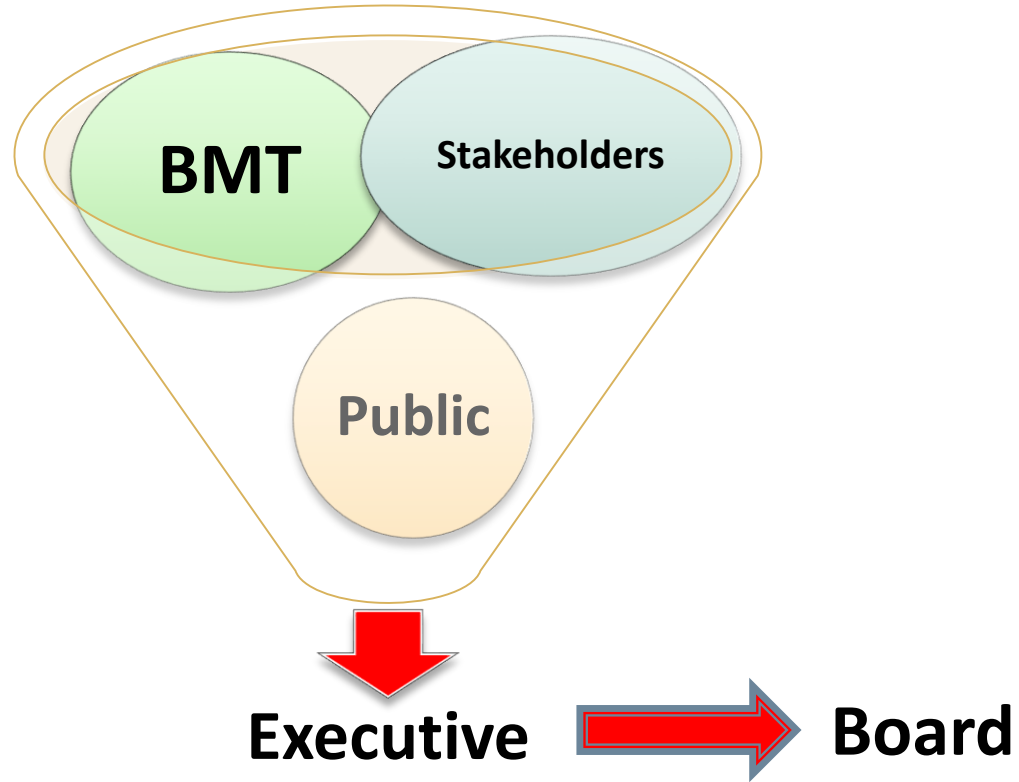
Fiscal 2016/17

April 12, 2016

# Meeting Purpose

- 1) Identify initial 16/17 shortfall**
- 2) Identify initial strategies to address shortfall**
- 3) Other possible strategies**
- 4) Review remaining budget timelines**

# Budget Process



# Budget Unknowns - Still

**Actual 15/16 Year End Position** **\$?**

**Exempt/PVP Compensation freeze impacts** **\$?**



# 15/16 Estimated Financial Position

## Forecast based on January 31 Info:

- Annual **Deficit** of ~\$1.150 million
- Accumulated **Deficit** of ~\$.600 million

# 15/16 Estimated Financial Position

## Key Variances:

- **Salaries - \$2.871 m variance from budget**
  - **Avg. teacher salary increase from \$72,400 to \$75,500**
  - **Long term sick leave over budget by 3.7 FTEs**
  - **Increased Mat. Leaves; arbitration awards; LOU 16**
  - **TTOC costs – increase by \$.462 from last year**
  - **TTOCs now on scale**
  - **Increased usage in replacement budgets**



# 15/16 Estimated Financial Position

## Key Variances:

- **International Revenue – increase of \$1.227 m**
- **Legal Costs – increase of \$.100 m**
- **Utilities – savings of \$.115 m**
- **Continuing Ed and Rental Revenues – up by \$.260 m**

# 15/16 Estimated Financial Position

For any accumulated deficit:

**The District must fund in 16/17**

- Currently estimated @ \$.600 million
- Forecast based on March 31 actuals being updated
- Greater certainty to be obtained by end of the month



# 15/16 Estimated Financial Position

For any annual deficit:

**The District has reviewed the overages to determine carry over to 16/17**

- Majority of pressure from salaries and benefits
- Will be carried over to 16/17

# PVP/Exempt Compensation

- **PVP/Exempt salaries still under gov't freeze since 2012**
- **BCPSEA has created updated Salary Framework**
- **Anticipation to be funded locally**
- **If freeze lifted and Board approved, funding will be req'd**



# Collective Agreement Funding

- **Government announcement of additional \$28.000 m**
- **District received \$.530 m based on \$52/FTE**

**\*\*Funding expected in March announcement\*\***

<b>CA funding provided</b>	<b>\$1.092 m</b>
<b>Estimated funding required</b>	<b><u>\$1.230 m</u></b>
<b>CA funding shortfall</b>	<b>\$.138 m</b>

# **16/17** Estimated Budget Shortfall

## **Gross Shortfall**

<b>Incremental Revenues</b>	<b>\$2.544 m</b>
<b>Incremental non-discretionary expenditures</b>	<b><u>\$4.414 m</u></b>
<b>Estimated Budget Pressure</b>	<b>~\$1.870 m</b>

# Incremental Revenues

<b>Grant Funding Increase</b>	<b>\$2,720,000</b>
<b>Collective Agreement increases</b>	<b>\$1,092,000</b>
<b>Incremental NLC revenue</b>	<b>\$100,000</b>
<b>Miscellaneous Revenue</b>	<b>\$167,000</b>
<b>Administrative Savings</b>	<b>(\$935,000)</b>
<b>15/16 Shortfall Payback</b>	<b><u>(\$600,000)</u></b>
<b>Total</b>	<b>~\$2,544,000</b>



# Incremental Expenditures

<b>Additional teacher costs</b>	<b>\$1,389,000</b>
<b>Collective Agreement increases</b>	<b>\$1,230,000</b>
<b>15/16 annual deficit</b>	<b>\$1,150,000</b>
<b>Salary grid increases</b>	<b>\$500,000</b>
<b>Benefit Increases</b>	<b>\$400,000</b>
<b>Incremental NGN Costs</b>	<b>\$175,000</b>
<b>Increased hydro costs</b>	<b>\$100,000</b>
<b>NLC Weekend Custodial</b>	<b>\$60,000</b>
<b>Shared Services – legal premiums</b>	<b>\$52,000</b>
<b>Miscellaneous Expenditures</b>	<b>\$146,000</b>
<b>Teacher Pension Plan Savings</b>	<b><u>(\$788,000)</u></b>
<b>Total</b>	<b>~\$4,414,000</b>

# Initial Strategies

<b>Incremental Revenues</b>	<b>\$2.544 m</b>
<b>Incremental non-discretionary expenditures</b>	<b><u>\$4.414 m</u></b>
<b>Estimated Budget Pressure</b>	<b>~\$1.870 m</b>
<b>Increase International Program Revenue</b>	<b>\$.200 m</b>
<b>Increase academy revenue</b>	<b><u>\$.080 m</u></b>
<b>Revised 16/17 Budget Shortfall</b>	<b>~\$1.590 m</b>
<b>Discretionary Funding – Ministry Enrolment</b>	<b>\$.110 m</b>

# Additional Strategies

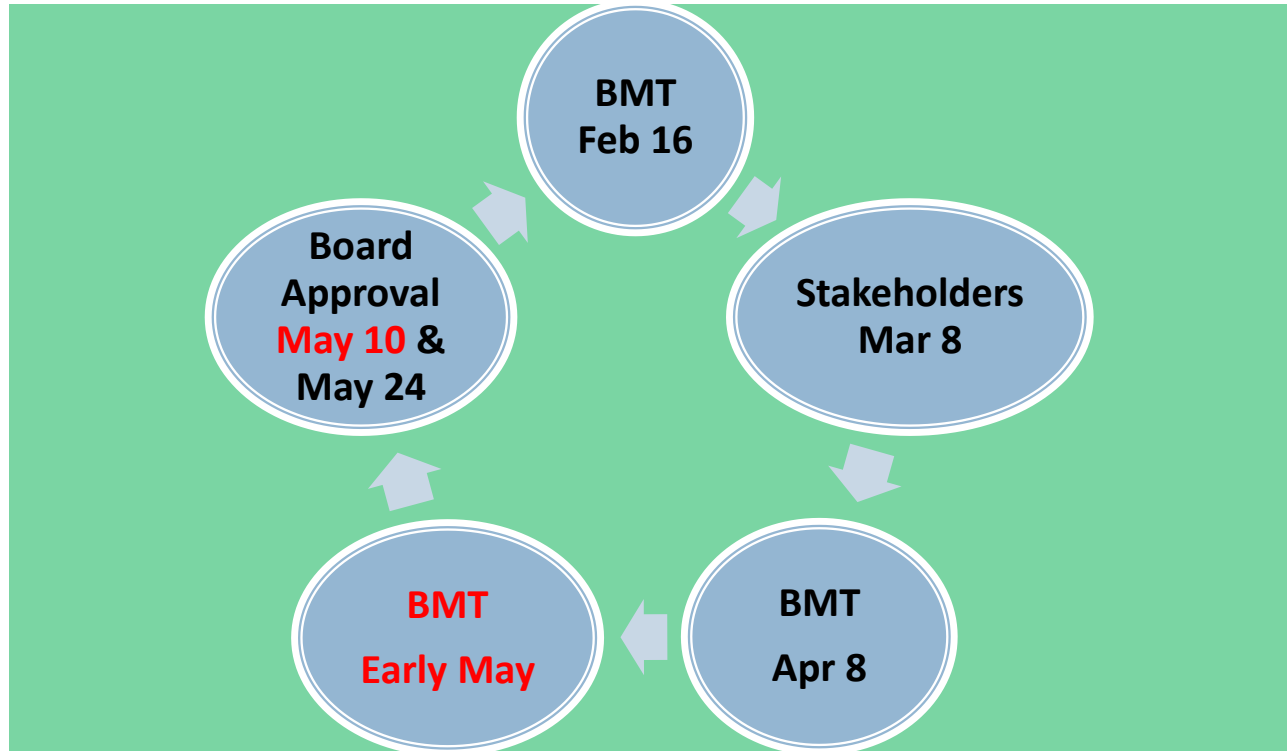
**Remaining Budget Pressure**

**~\$1.590 m**

**The Executive has been gathering input on what approach to take as a District to address the shortfall**

- ? **Services/Supplies vs. staffing**
- ? **14/15 balanced approach based on employee group**
- ? **Replacement – permanent vs. temporary**
- ? **Additional revenue streams for 16/17**

# Revised Budget Timelines



## Next Steps

- Board and Public Update – April 12**
- Forecast is updated to determine 16/17 impact – end of April**
- Executive to develop remaining strategies to balance – early May**
- Budget Management Team – first week of May**
- Board reviews, debates and 1<sup>st</sup> reading of budget – May 10**
- Board reviews, debates and 2<sup>nd</sup>/3<sup>rd</sup> reading of budget – May 24**



# Thanks

