



Report to Administration and Finance Committee

June 2, 2008

RE: 2008-2009 Preliminary Budget Update

Background:

At the Administration and Finance Committee meeting of May 5, 2008, the Board received an update on the 2008-2009 preliminary budget indicating a balanced operating budget position for the year. Subsequently, staff have reviewed final enrolment projections and staffing reports and completed detailed Grants for Students Needs (GSN) funding calculations which resulted in only minor changes to the proposed expenditure budget. Changes in enrolment projections are a normal practice for school boards as staff refine and gather information that will best predict the actual number of students that arrive in our classrooms this September 2008.

Appendix A of this report shows an overview of the 2008-2009 preliminary budget position.

At this date there has been no further funding announcements from the Ministry despite having indicated that boards would receive information by May 15, 2008 in the initial GSN release.

According to the Education Act, it is the financial responsibility of the board to submit a balanced budget. To that end, the board is expected to meet its obligation, as well as set aside a small contingency of \$0.5 million that enables the board to deal with any potential enrolment variances this fall. However, there is no opportunity to set aside additional contingency funds in this budget that would normally offer flexibility for the board to deal with uncertainties that arise in 2008-2009.

This report is intended to provide you with an overview of budget input we received from board stakeholders through the 2008-2009 budget process and how the preliminary 2008-2009 operating budget builds on these priorities in a responsible and fiscally prudent manner.

Discussion:

Most of the GSNs announced for 2008-2009 are specific to Ministry initiatives and contractual obligations, and as a result, boards have limited flexibility as to where the funding can be directed within the board. Yet, in spite of the restrictions faced during this budget process, the board was able to obtain priority input from all stakeholder groups and assimilate some of the needs into the proposed 2008-2009 budget.

Trustee priorities obtained from the workshop session held in February 2008, included investing in areas for potential growth, specialty schools ranging from grade 7-12, introducing new programs outside of mainstream options, re-instating the 5% and 10% budget reductions to schools and reviewing Safe Schools initiatives.

In the area of new programs, the board has approved a French Immersion program to begin in 2008-2009 as well as adding two additional Extended French classes. These programs strategically position the board to meet the needs and expectations of our system. This September 2008, Secondary students will have an option to pursue a co-op credit program offered through our Continuing Education program. This one-credit program combines academic study with practical work experience. The Program Department continues to work with schools to develop Pathways programs and Specialist High Skills Majors (SHSM).

The Special Education Advisory Committee (SEAC) budget priorities included support staff and resources for the classroom, support with assistive technology and training, assessment support and professional development for staff and education for parents/guardians. Although not increased, the 2008-2009 preliminary budget for Special Education services is positive in that it has maintained the staff support levels from 2007-2008 for Educational Resource Workers (ERW), APSSP staff and special education teacher personnel. The special education grants will be used to provide program enhancements, support professional development needs, provide assistive technology, develop communication strategies and provide ongoing resources and support for staff and parents/guardians.

Presentations through the Public Budget Consultation meeting on May 6, 2008, focused on transportation for the French Immersion program, the increased demands placed on our Special Education Services staff and the budget pressures faced by both Elementary and Secondary schools.

Based on an analysis of revenue projections and early estimates of expenditures, Appendix A reflects a preliminary balanced operating budget position in 2008-2009.

Grant revenues are estimated at \$701.0 million, an increase of \$15 million or 2.18 percent over the 2007-2008 Revised Estimates. Miscellaneous revenues are estimated at \$7.4 million and include tuition fees for visa students, course fees for Continuing Education programs and Ministry revenue for Adult ESL and Citizenship.

The estimated Operating Expenditures of \$708.4 million build on the fiscally responsible base from 2007-2008, adjusted for known increases in salary and benefits, preparation time, staffing requirements and Ministry initiatives such as Safe Schools and MISA/OnSIS.

Conclusion:

This report provides the Administration and Finance Committee with an update on the 2008-2009 preliminary operating budget.

The 2008-2009 Revenue and Expenditure Budget will be finalized in the next two weeks and a final report will be brought forward for approval to the Special Board meeting on June 17, 2008. The budget is required to be filed with the Ministry of Education on or before June 30, 2008.

Information related to the Provincial Labor Framework has not been included in the GSN announcement and therefore, is not part of the 2008-2009 preliminary budget. Additional funding and expenditures related to the Framework and the conclusion of local collective bargaining will be included in the Revised Estimates.

Recommendation:

1. **THAT THE REPORT ENTITLED 2008-2009 PRELIMINARY BUDGET UPDATE BE RECEIVED.**

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Date: May 28, 2008

REVENUE and EXPENDITURE

2008-2009 Preliminary

PRELIMINARY DETAIL	2007-2008 Revised Estimates	2008-2009 Budget Projection	Increase/Decrease	
	\$Millions	\$Millions	\$ Millions	%
Operating GSN	\$686.0	\$701.0	\$15.0	2.18%
Misc Revenue	\$7.4	\$7.4	\$0.0	0.00%
TOTAL OPERATING REVENUE	\$693.4	\$708.4	\$15.0	2.16%
OPERATING EXPENDITURES (07/08 Includes Carry Forward deficit and Contingency Reserve)	\$693.4	\$708.4	\$15.0	2.16%
AVAILABLE FUNDS	\$0.0	\$0.0		