



# Hastings and Prince Edward District School Board

*A Great Place to Learn and A Great Place to Work!*

Chair of the Board: Carl Pitman

Director of Education: Kathy Soule

## NOTICE OF MEETING

This notice is to confirm that a budget meeting of the  
**Hastings and Prince Edward District School Board**  
will be held on:

**Monday, June 14, 2010**

**at 4:30 p.m.**

**in the Board Room, Education Centre  
156 Ann Street, Belleville**

The agenda and supporting documents for this meeting will be distributed at the meeting.

**Carl Pitman**  
Chair of the Board

**Kathy Soule**  
Director of Education and  
Secretary of the Board

**Trustees:** **Michael Brant**  
*Tyendinaga Mohawk Territory*  
**Thelma Goodfellow**  
*Southeast Hastings*  
**Harry Marissen**  
*North Prince Edward*  
**Jim Williams**  
*Sidney/Frankford*

**Samuel J. J. Clements**  
*Trenton/CFB Trenton*  
**Mary Hall**  
*Belleville, Vice-chair*  
**Carl Pitman**  
*Chair, Centre Hastings*  
**Gabe Platt**  
*Student Trustee*

**Cliff Cotton**  
*Belleville*  
**Dwayne Inch**  
*South Prince Edward*  
**Monica Walker**  
*North Hastings*  
**Samantha Willman**  
*Student Trustee*



# Hastings and Prince Edward District School Board

*A Great Place to Learn and A Great Place to Work!*

Chair of the Board: Carl Pitman

Director of Education: Kathy Soule

## BUDGET COMMITTEE PUBLIC AGENDA

June 14, 2010 – 4:30 p.m.

Section	Item	Report No.	Resp.
<b>A</b>	<b>Call to order</b>		
	Delegations / presentations - None		
	Approval of agenda		
	Approval of minutes – May 17, 2010		
	Business arising from the minutes		
<b>B</b>	<b>Recommendations</b>		
	None		
<b>C</b>	<b>Information</b>		
	Update on Changes to Financial Accountability, Budgeting and Reporting	C-1	D.R.
	Board Operating and Capital Budgets	C-2	D.R.
	Budget Compliance	C-3	D.R.
<b>D</b>	<b>Correspondence</b>		
	None		
	<b>Next steps</b>		
	<b>Adjournment</b>		



**HASTINGS AND PRINCE EDWARD DISTRICT SCHOOL BOARD  
BUDGET MEETING  
MINUTES  
May 17, 2010**

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**Members present:** M. Brant, S. Clements, C. Cotton, T. Goodfellow, M. Hall, D. Inch, H. Marissen, C. Pitman, M. Walker, J. Williams

**Student Trustees:** None

**Regrets:** None

**Absent:** None

**Resource:** C. DeMille, K. Donnell, T. FitzGibbon, J. Montgomery, C. Portt, J. Rogers, D. Rutherford, M. Savery-Whiteway, K. Soule, D. Tregenza, M. Norton

**Guests:** None

**Minutes:** P. Hoskin

**Call to order**

Chair Pitman called the meeting to order at 4:00 p.m.

**Delegations/presentations**

None

**Approval of agenda**

Moved: C. Cotton

Seconded: D. Inch

**That the agenda be approved.**

Carried

**Approval of minutes**

Moved: T. Goodfellow

Seconded: M. Walker

**That the minutes of April 28, 2010 be approved**

Carried

**Business arising from the minutes**

Nothing.

**Recommendations**

**Enterprise Resource Planning System**

Director Soule commented that this information had been previously brought to Trustees at the Closed Budget Meeting of April 20, 2010. Senior ITS Officer, Matt Norton,

referred trustees to Report B-1 and explained that this would be a two phase process which would see the implementation of the new Financial system by August 31, 2011 and the Human Resources/Payroll/Benefit system tentatively scheduled for January 1, 2012. The benefits and efficiencies of the new system were compared to current processes. The new system is built on the board standard, Microsoft SQL platform, and satisfies one of the Operational Review recommendations. It is proposed that the one-time cost of \$561,398 would come from reserve funds.

**Moved:** H. Marissen

**Seconded:** M. Hall

**That the Budget Committee recommend to the Board that the Enterprise Resource Planning System move ahead as discussed in Report B-1 with expenditures of approximately \$600,000 coming from the reserve funds, phased in over two years.**

**Moved:** S. Clements

**Seconded:** T. Goodfellow

**To postpone consideration of this motion definitely, until the conclusion of this meeting.**

**Carried.**

#### **Information**

##### **Revenue summary**

Superintendent Rutherford reviewed the Comparative Revenue Summary which compared changes between the 2009-2010 forecast and the 2010-2011 budget. Although grants have increased, much of the increase is attributable to the Provincial Discussion Tables funding. Superintendent Rutherford responded to trustee questions regarding the changes.

##### **Expenditure summary**

Superintendent Rutherford discussed the Expenditure Summary highlighting major changes that had been identified. Questions from trustees regarding specific expenses were discussed.

##### **Impact of grant reduction**

Superintendent Rutherford advised that the net financial impact of grant reductions is estimated to be \$1.8 million. To balance the 2010-2011 budget will require the use of expenditure reductions and reserve funds. Other cost saving measures will be discussed in closed session. Trustees were reminded that because declining enrolment will continue, the Board will need to continually evaluate services and programs as we move forward.

##### **Budget risk management**

During a review of the Budget Risk Management report, Superintendent Rutherford identified processes that have been put in place to help mitigate potential risks around enrolment projections, retirement costs, sick leave costs, utility and fuel costs and the Early Learning Program. Questions regarding the Early Learning Program funding and costs were discussed.

The following motion was reread to the trustees:

**Moved:** H. Marissen  
**Seconded:** M. Hall

**That the Budget Committee recommend to the Board that the Enterprise Resource Planning System move ahead as discussed in Report B-1 with expenditures of approximately \$600,000 coming from the reserve funds, phased in over two years.**

**Carried**

**Correspondence**

None

**Next meeting**

The next budget meeting has been scheduled for June 14, 2010 at 4:00 p.m.

**Adjournment**

The meeting adjourned at 5:25 p.m.

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Chair

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Secretary



## 2010 – 2011 BUDGET

### Changes to Financial Accountability, Budgeting and Reporting

Recent legislative changes to the financial accountability sections of the Education Act will ensure that school board financial reporting and budget compliance conforms to Public Sector Accounting Board (PSAB) standards.

Significant changes include:

- Updating budget compliance to PSAB
- Accounting Treatment for Capital Funding (Deferred Capital Contributions)
- Wrap-up of the Capital Funding Model

#### Updating Budget Compliance to PSAB

The financial management strategies that school boards had available to them in the past will remain, however in some cases terminology will change. Reserves will either be included in the Accumulated Surplus (summation of prior year surpluses) or treated as deferred revenue (revenues with an external restriction). The Accumulated Surplus can be internally restricted and tracked by the board just as reserves were in the past.

School boards are still required to pass a balanced budget, although there are circumstances where an in-year deficit is permissible if there is an accumulated surplus. The draw on the accumulated surplus is limited to ensure that it does not place the board at undue financial risk. To ensure deficit management practices are sustainable, in-year deficits cannot exceed the lesser of:

- The board's Accumulated Surplus for the preceding year, and
- One per cent of the board's operating revenue.
- Carrying a deficit larger than this amount will require approval of the Minister of Education.

#### Accounting Treatment for Capital Funding

PSAB currently requires that boards recognize the value of their Tangible Capital Assets (TCA) and the amortization of those assets will appear as an operating expense. This new accounting treatment will ensure that capital assets and related funding do not distort how a board's financial position is presented. Surpluses and deficits should not be created from building a school that is fully funded.

#### Wrap-up of the Capital Funding Model

The New Pupil Places grant (NPP) which is used to finance new school construction and major renovations will be wrapped up and replaced with a debt support grant that does not fluctuate with enrolment. The wrap-up will be implemented through a one-time grant that recognizes all the existing capital debt as of August 31, 2010. The grant will flow to boards over the remaining term of their existing capital debt.



2010-2011 BUDGET

COMPARATIVE REVENUE SUMMARY

	<u>2009-2010 Forecast</u>	<u>2010-2011 Budget</u>	<u>Change</u>
Grants for Student Needs	\$ 175,312,625	\$ 176,133,387	\$ 820,762
Tuition Fees	2,333,783	2,456,411	122,628
Other Revenue	632,000	632,000	-
Transfer from Reserves/Accumulated Surplus	1,606,375	508,812	(1,097,563)
Education Program Other	5,043,217	1,952,857	(3,090,360)
Capital Grants	-	12,311,895	12,311,895
	<u>\$ 184,928,000</u>	<u>\$ 193,995,362</u>	<u>\$ 9,067,362</u>

COMPARATIVE EXPENDITURE SUMMARY

Operating Expenditure Summary	\$ 184,928,000	\$ 180,656,517	\$ (4,271,483)
Capital Expenditure Summary	-	13,338,845	13,338,845
	<u>\$ 184,928,000</u>	<u>\$ 193,995,362</u>	<u>\$ 9,067,362</u>



**2010 - 2011 BUDGET**  
**OPERATING GRANTS FOR STUDENT NEEDS**

	<u>2009-2010 Forecast</u>	<u>2010-2011 Budget</u>	<u>Change</u>
Pupil Foundation Grant	\$ 78,505,547	\$ 77,711,733	\$ (793,814)
School Foundation Grant	12,921,149	13,091,100	169,951
<u>Special Education</u>			
SEPPA	8,677,308	8,860,024	182,716
High Needs Amount	10,950,422	10,407,047	(543,375)
Other	1,780,086	1,705,486	(74,600)
Sub-total	\$ 21,407,816	\$ 20,972,557	\$ (435,259)
School Operations	16,603,671	16,628,257	24,586
Transportation	13,670,081	13,657,337	(12,744)
Teacher Q & E	10,911,637	11,935,649	1,024,012
Board Administration and Governance	4,908,218	4,802,667	(105,551)
School Renewal	3,134,822	3,074,714	(60,108)
Debt Repayment	2,211,191	2,572,409	361,218
Learning Opportunities	2,871,095	2,867,242	(3,853)
Remote and Rural/Distant Schools	2,762,763	2,863,755	100,992
Language Allocation	1,899,408	1,855,054	(44,354)
Declining Enrolment Grant	1,200,381	1,536,229	335,848
Continuing Education	432,515	443,372	10,857
Program Enhancement	530,750	530,750	-
First nation, Metis and Inuit	773,832	1,029,926	256,094
Safe Schools	325,790	316,653	(9,137)
Community Use	241,962	243,983	2,021
<b>Total Grants for Student Needs</b>	<b>\$ 175,312,628</b>	<b>\$ 176,133,387</b>	<b>\$ 820,759</b>



**2010 - 2011 BUDGET  
OPERATING EXPENDITURE SUMMARY**

	<b>2009-2010 Forecast</b>	<b>2010-2011 Budget</b>	<b>Change</b>
Day School Regular	\$ 87,934,000	\$ 87,974,043	40,043
Special Education	24,526,781	23,685,028	(841,753)
Safe Schools	349,570	316,653	(32,917)
School Management	13,683,000	13,849,883	166,883
Student Success	921,747	744,471	(177,276)
Student Support	565,723	601,550	35,827
Library & Guidance	2,954,473	2,863,063	(91,410)
Educational Services	3,198,166	2,521,498	(676,668)
International Students	978,597	997,842	19,245
Information Technology Services	5,447,344	4,148,642	(1,298,702)
Board Administration & Governance	4,975,959	5,286,250	310,291
Facility Services	22,425,000	20,306,848	(2,118,152)
Transportation Services	13,428,000	13,839,778	411,778
Continuing Education	476,046	437,694	(38,352)
Debt	3,063,594	3,083,274	19,680
	<b>\$ 184,928,000</b>	<b>\$ 180,656,517</b>	<b>\$ (4,271,483)</b>



**2010 - 2011 BUDGET**  
**CAPITAL EXPENDITURE SUMMARY**

	<u>2009-2010 Forecast</u>	<u>2010-2011 Budget</u>	<u>Change</u>
Equipment	\$ -	\$ 1,026,950	1,026,950
Energy Efficiency Initiative	-	2,731,895	2,731,895
North Hastings Senior Elementary Addition/Renovation	-	2,530,000	2,530,000
Prince Charles School - Belleville Addition/Renovation	-	4,350,000	4,350,000
Sir John A. Macdonald School Addition/Renovation	-	2,700,000	2,700,000
	<u>\$ -</u>	<u>\$ 13,338,845</u>	<u>\$ 13,338,845</u>



## 2010 – 2011 BUDGET

### Budget Compliance

#### Balanced Budget

School boards are required to have balanced budgets which requires total spending to be equal or less than total revenue. There are circumstances where a deficit is permissible if there were prior surpluses (Accumulated Surplus).

The draw on the accumulated surplus is limited to:

- the board's accumulated surplus for the preceeding year, and
- one percent of the board's operating revenue.

To carry a deficit greater than this amount would require approval of the Minister of Education.

#### Balanced Budget Determination

1.0 2010-2011 In-year Surplus/(Deficit)	\$ (508,812)
2.0 Operating Revenue	\$ 170,336,258
1%	\$ 1,703,363
3.0 Accumulated Surplus August 31, 2010	\$ 7,657,000
4.0 Since the \$508,812 in-year deficit is less than either 1% of the operating revenue (\$1,703,363) and the accumulated surplus at August 31, 2010, the board is in compliance.	