



**Hastings and Prince Edward
District School Board**

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

Dwayne Inch, Chair of the Board

Mandy Savery-Whiteway, Director of Education

**BUDGET COMMITTEE
PUBLIC AGENDA
June 15, 2015 – 4:30 p.m.
Board Committee Room**

Section	Item	Report No.	Resp.
A	Call to order		
	Delegations/presentations - None		
	Approval of agenda		
	Approval of minutes – June 8, 2015		
	Business arising		
B	Recommendations		
	2015-16 Budget Approval	B-1	M. Savery-Whiteway/L. Miller
C	Information		

Next Budget Committee Meeting: T.B.D.



**HASTINGS AND PRINCE EDWARD DISTRICT SCHOOL BOARD
BUDGET COMMITTEE
PUBLIC MEETING MINUTES
June 8, 2015**

Members present: T. Biniaris, M. Brant, J. Bray, J. Cobb, B. Danes, L. Kyle, M. Hall, D. Inch, Chair, D. Patterson (via teleconference), J. Williams

Regrets:

Absent:

Guests:

Resource: K. Donnell, M. Fisher, T. FitzGibbon, K. MacQuarrie, L. Miller, C. Portt, N. Pfeiffer, J. Rogers, M. Savery-Whiteway

Minutes: J. Newman

Call to order

The meeting was called to order at 5:12 p.m.

Delegations/presentations

None

Approval of agenda

Moved: J. Cobb
Seconded: B. Danes

That the agenda be approved.

Carried

Approval of minutes

Moved: M. Hall
Seconded: J. Cobb

That the minutes of May 19, 2015 be approved

Carried

Business Arising

None

Information

2015-2016 Budget development update

Director Savery-Whiteway acknowledged the senior team in their ongoing efforts to develop and present a final balanced budget for 2015-16.

Superintendent Miller presented Report No.C-1 to provide an update on development of the 2015-16 Budget. The update included:

- a review of Accumulated Surplus;

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- revenue and expense adjustments as reflected in the draft Consolidated Statement of Operations.
 - increases to the operating revenue as reflected in the Grants for Student Needs and the Other Fees and Revenues;
 - a review of high impact operating expenses as reflected in the draft Summary of Operating Expenses;
 - an update on the draft Capital Expense Summary.

It was noted that another Budget Committee meeting is scheduled for June 15, 2015 @ 4:30 p.m. to approve and recommend to the Board the 2015-16 Budget.

The meeting adjourned at 5:32 p.m.



Decision **X** **Information** _____

To: The Chair and Members of the Budget Committee

From: Mandy Savery-Whiteway, Director of Education
 Leslie Miller, Superintendent of Business Services

Re: **2015-2016 Budget Approval**

Purpose

To approve the operating and capital budgets for the 2015-2016 fiscal year in support of the board's system plan Achievement in Motion for Student Success.

Background

On March 26, 2015 the Ministry of Education released details of the 2015-2016 Grants for Student Needs (GSN). Overall provincial funding will remain stable at \$22.5 billion for 2015-2016, however, the Ministry has initiated numerous shifts in funding formulas to further encourage the management of underutilized school space, while maintaining support for the schools that the Ministry believes need it most.

Highlights of funding formula changes with significant impact to Hastings and Prince Edward District School Board include:

School Operations Grant:	Elimination of base top up for non-isolated schools (3 year phase in). Increased funding for non-salary portion of facilities operation.
Remote and Rural / Distant Schools Grant:	Updated factors in the Remote and Rural Allocation (3 year phase in).
School Foundation Grant:	Funding shift away from very small schools that are not isolated while investing in schools that are larger, remote, or combined (3 year phase in).
Declining Enrolment Grant:	Reduction in declining enrolment supports.
Special Education Grant:	Continued phase in of new funding model for High Needs Amount announced in 2014-15.
Capital Funding - School Condition Improvement (SCI):	Provincial funding allocation doubling to \$500M. SCI funding allocation to boards now in proportion to board's total assessed renewal needs under the Ministry's Condition Assessment Program.

Consistent with prior years, individual board funding levels will continue to reflect local enrolment fluctuations. In the elementary panel, student enrolments are projected to remain stable for 2015-2016 at 10,133 students. In the secondary panel, average daily enrolment is expected to see a further decline of approximately 120 students as the lower enrolments experienced in elementary schools in past years continues to move into the secondary schools. This decline is projected to continue for the next couple of years before it will stabilize.

With consideration to the above noted funding challenges and enrolment conditions, the board has continued to undertake a purposeful and measured approach to budget development, framed by the following guiding principles:

- Balanced budget → *Ensure we are operating within our means*
- Aligned with System Plan → *Supporting our core purpose and priorities*
- Challenge oriented → *Continuously seek ways to improve support structures & costs*
- Sustainable → *Considering smart transition plans to get us to sustainable future state*

Current situation

The board is projecting a balanced budget for 2015-2016 with no draw on the limited accumulated surplus. Details of the 2015-2016 revenue and expenditure projections are summarized in Appendix A.

This financial position is an improvement from the 2014-2015 revised estimate deficit that was reported in January, and reflects the boards' ongoing commitment to the challenging work of re-aligning operational costs to available resources despite the recent significant Ministry funding announcement changes and secondary enrolment decline that is not yet stabilized.

Ministry capital funding supports for new school projects, as well as school condition improvements will assist the board's efforts to manage baseline operational costs on a sustainable basis.



The 2015-2016 budget continues to support the board's system priorities in service of student achievement while maintaining the fiscal integrity of its operations. While additional work remains to fully address the phase in of Ministry funding changes and ongoing enrolment impacts, senior administration is pleased with the progress made thus far in aligning operational costs with available funding and supports the budget recommendation that will be presented for approval.

Appendices

- Appendix A – Consolidated Statement of Operations
- Appendix B – Grants for Student Needs Summary
- Appendix C – Capital Expense Summary

Recommendation

Moved:

Seconded:

That the Budget Committee recommends that Hastings and Prince Edward District School Board approve the 2015-2016 operating and capital budgets in the amounts of \$189,189,114 and \$18,555,456 as contained in Budget Committee Report No. B-1 dated June 15, 2015.

Respectfully submitted,

**Mandy Savery-Whitway
Director of Education**

**Leslie Miller
Superintendent of Business Services**



2015-2016 BUDGET
MINISTRY OF EDUCATION SCHEDULE 1.1
CONSOLIDATED STATEMENT OF OPERATIONS

Revenues	2013-2014 Actual	2014-2015 Estimates	2015-2016 Estimates
Grants for Student Needs	170,231,446	176,246,228	175,421,926
Provincial Grants - Other	10,522,081	1,395,595	1,695,830
School Generated Funds	4,051,300	3,948,478	3,948,478
Federal Grants and Fees	1,569,428	1,408,124	1,682,219
Other Fees and Revenues	2,525,131	1,948,860	2,055,798
Amortization of DCC	5,779,292	6,143,071	6,297,937
	\$ 194,678,678	\$ 191,090,356	\$ 191,102,188
Expenses			
Instruction	143,203,853	141,176,773	142,453,564
Administration	5,779,415	5,728,172	5,668,756
Transportation	13,384,376	13,772,269	12,975,218
Pupil Accommodation	25,758,173	24,558,700	24,143,098
School Generated Funds	3,950,513	4,047,320	3,948,478
	\$ 192,076,330	\$ 189,283,234	\$ 189,189,114
Sub Total	2,602,348	1,807,122	1,913,074
Appropriated for Employee Future Benefits	2,183,537	1,807,122	1,913,074
Surplus/(Deficit) For Compliance	\$ 418,811	\$ -	\$ -



2015-2016 BUDGET
GRANTS FOR STUDENT NEEDS SUMMARY

	2014-2015 Estimate	2015-2016 Estimate	Change
(1) Pupil Foundation Grant	79,250,208	78,495,404	(754,804) Funding reduction due to enrolment decline.
(2) School Foundation Grant	12,379,504	12,161,184	(218,320) Lost funding due to funding formula change est at \$350k over 3 years
(3) Special Education	21,754,037	21,565,003	(189,034) Lost funding due to funding formula change est at \$200k per year over 3 years
(4) School Operations	17,103,911	16,946,132	(157,779) Lost Top up funding est \$1.5M over 3 years; offset by utilities funding increase.
(5) Transportation	13,772,269	13,699,675	(72,594)
(6) Qualifications and Experience	14,766,459	15,450,928	684,469 Increase to account for net grid movement
(7) Board Administration and Governance	4,785,827	4,813,667	27,840 New Trustee Assoc Fee funding \$43,000
(8) School Renewal	3,395,988	3,325,884	(70,104) Lost funding due to change in Top-up model est at \$0.2M over 3 years
(9) Debt Repayment (Interest Portion)	1,810,365	1,765,312	(45,053)
(10) Capital Grant - Land	-	-	-
(11) Learning Opportunities	2,603,526	2,588,257	(15,269)
(12) Remote and Rural/Distant Schools	3,042,275	2,557,485	(484,790) Lost funding due to change funding formula est at \$1.2M over 3 years
(13) Language Allocation	1,672,045	1,813,409	141,364 FSL funding reflects current enrolment assumptions
(14) Declining Enrolment Grant	1,154,307	370,959	(783,348) Lost funding due to change in funding formula.
(15) Continuing Education	532,918	504,884	(28,034)
(16) First nation, Metis and Inuit	972,314	967,065	(5,249)
(17) Safe Schools	309,684	304,149	(5,535)
(18) Community Use	241,817	237,231	(4,586)
(19) Restraint Savings	(137,145)	(137,145)	-
Sub total	\$ 179,410,309	\$ 177,429,483	\$ (1,980,826) -1.1%
(20) Less Tangible Capital Assets	(1,208,600)	(107,636)	1,100,964 Reduced technology investment for 2015-16 as next evergreen cycle is developed.
(21) Less School Renewal Capital & Interest	(1,955,481)	(1,899,921)	55,560
Total	\$ 176,246,228	\$ 175,421,926	\$ (824,302) -0.5%



2015-2016 BUDGET
MINISTRY OF EDUCATION SCHEDULE 3
CAPITAL EXPENSE SUMMARY

	<u>2013-2014</u> <u>Actual</u>	<u>2014-2015</u> <u>Estimates</u>	<u>2015-2016</u> <u>Estimates</u>
Minor Capital Assets (Furniture, computers, vehicles)	1,252,368	1,208,600	107,636
Land, Buildings, Construction in Progress			
Full Day Kindergarten	5,965,370	-	-
Other (short term Interest on capital projects)	241,075	114,140	105,500
New Stirling and Tweed Schools	2,505,639	-	-
Stirling Day Care		700,000	-
Queen Elizabeth - Trenton	342,445	3,400,000	9,900,000
Child Care Retrofit	174,807		
Prince Charles P.S.	298,920		
Harmony Public School	8,764,739	-	-
Harry J. Clarke Public School	549,460	-	-
School Condition Improvement	2,111,955	2,548,496	6,642,169
School Renewal	495,320	1,841,341	1,800,151
	<u>\$ 22,702,098</u>	<u>\$ 9,812,577</u>	<u>\$ 18,555,456</u>