



# **PRELIMINARY BUDGET 2020/21**

## ***EXECUTIVE SUMMARY***

APRIL 29, 2020



## MESSAGE FROM THE BOARD OF EDUCATION AND SENIOR STAFF

During this year's budget process, we find ourselves in an unusual and challenging time. A time of uncertainty, unpredictability and change. To navigate this new landscape, we must think ahead and strategically build systems that both meet the needs of our school communities and mitigate the impact of external challenges.

While some of the challenges before us are quite familiar, others are unprecedented. As a part of the 2020/21 budget process, we must respond to the continued increase in enrolment at the elementary level, a reduction of provincial funding, a reduction of international education revenue precipitated by a global health crisis, as well as the sudden and dramatic reorientation of school district services in response to COVID-19.

In preparing the 2020/21 budget balancing proposals, we have worked to protect the structures and supports that best serve our students even as we implement the reductions demanded by our current context.

We know that we must continue to build skillful supports across each of our schools to address the high needs of many of our learners. We also know that we must invest in proactive, early intervention measures to address challenging student behaviours in the formative years when these investments will have the greatest impact. These and many other considerations have shaped the thoughtful development of our proposals, which attempt to balance the needs of the system against the demands of our context.

Thank you for taking the time to review our 2020/21 Proposed Preliminary Budget and for your feedback on the Proposed Preliminary Budget for 2020/21. A summary of the feedback received can be reviewed on the district website in the *2020/21 Proposed Preliminary Budget Consultation Summary*.

### BOARD *of* EDUCATION

SCHOOL DISTRICT NO.42



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## BUDGET OVERVIEW

School District No. 42 meets the learning needs of approximately 15,000 students of all ages in Maple Ridge and Pitt Meadows, and is defined by its determination to keep student learning and growth at the heart of all its decisions. The district provides K-12 educational services in 22 elementary schools, 6 secondary schools and 2 alternate schools. It also provides a variety of certificate programs and relevant quality life-long learning opportunities through Ridge Meadows College and Continuing Education.

All decisions made by Maple Ridge – Pitt Meadows School District are guided by its vision and core values, and are based on research and consultation. Similarly, the district's initiatives and resources are all aligned to support its firm commitment to fostering a culture of care and belonging where the well-being and success of all learners is supported; providing intentional support for a growth mindset, collaboration, interdependence, and staff development; and being a forward-thinking, research-based, ethical, effective, efficient, sustainable and connected organization.

School District No. 42 (Maple Ridge – Pitt Meadows) is estimating that a funding shortfall of \$1.90 million will have to be addressed in 2020/21. This is estimated to be followed by budget funding shortfalls of approximately \$1.76 million for 2021/22, \$1.00 million for 2022/23, and \$1.30 million for 2023/24.

The school district operates under authority of the School Act of British Columbia as a corporation and receives over 90% of revenue from the BC provincial government through the Ministry of Education. Any changes to provincial grants will consequently have a significant impact on the school district's budget. The school district is exempt from federal and provincial corporate income taxes.

In accordance with the School Act, school districts in the province must approve a balanced budget and submit it to the Ministry of Education by June 30, 2020. The Maple Ridge – Pitt Meadows School District aims to develop a preliminary budget that supports its vision, and that considers not only its shared priorities but also the needs of its community of learners.

This budget has been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

As required by the Ministry of Education and Public Sector Accounting Standards (PSAB), the Maple Ridge - Pitt Meadows School District tracks and reports revenue and expenditures under three separate funds: the operating fund, the special purpose fund and the capital fund.

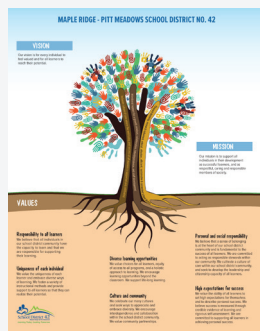
**OPERATING FUND:** The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance and transportation.

**SPECIAL PURPOSE FUND:** The special purpose fund is comprised of separate funds established to track revenue and expenditures received from the Ministry of Education and other sources that have restrictions on how they may be spent (e.g. Classroom Enhancement Fund, Annual Facilities Grant, Community LINK, Ready Set Learn and School Generated Funds).

**CAPITAL FUND:** The capital fund includes capital expenditures related to facilities (purchases and enhancements) and equipment (purchases) that are funded by Ministry of Education capital grants, operating funds, and special purpose funds. An annual deficit in the capital fund that is a result of amortization expense and budgeted capital assets purchased from operating and special purpose funds exceeding the amortization of deferred capital revenue plus budgeted local capital revenue is permitted under the Accounting Practices Order of the Ministry of Education.

*For detailed information, please refer to the Organizational section of the budget document.*

# STRATEGIC DIRECTION



## VISION

The district vision is for every individual to feel valued and for all learners to reach their potential.

## MISSION

Our mission is to support all individuals in their development as successful learners, and as respectful, caring and responsible members of society.

## STRATEGIC DIRECTIONS

1. Inclusive culture of care and belonging where the well-being and success of all learners is supported and celebrated.
2. Intentional support for a growth mindset, collaboration, interdependence, and staff development.
3. Forward-thinking, research-informed, effective, efficient, sustainable, value-based and connected school district.

## STRATEGIC GOALS

The strategic goals for the Maple Ridge - Pitt Meadows school district are established on a rolling four-year planning cycle and are summarized in departmental operational plans and school growth plans.

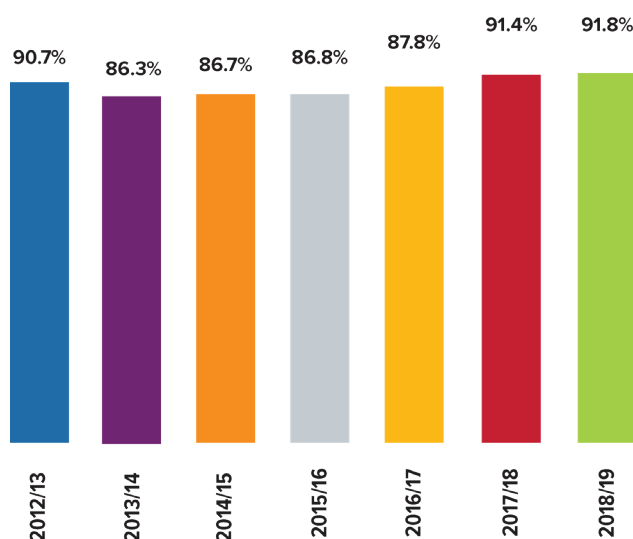
The board-approved budget supports the specific strategic goals identified in operational plans and school growth plans. Specifically, the board has made allocations that support collaborative teaching, safe and caring schools, social emotional learning, curriculum implementation, early learning, literacy, educational leadership, and technology infrastructure. For additional information on these allocations, please refer to the budget changes table on page 7.

# STUDENT ACHIEVEMENT

The six-year completion rate for All Students for the 2018/2019 school year was 91.8% - exceeding the provincial average and within the range of the highest performing school districts in the province with regard to school completion. In fact, the school district results now place us in the top three districts in the province with a graduating class in excess of 1000 students.

Six years ago, in 2013/2014, the school district overall six year completion rate was 86.3%. Considerable focus and effort has been dedicated to improving both the numbers of students completing high school and the quality of the programming that students have encountered during their high school experience. There continues to be about a 1.5% gap between the overall performance of female to male students, with the females completing high school more often. This gap, however, has also improved from six years ago, at which time the performance gap between females and males was approximately 8%, and even from last year, when the gap was 4%.

## 2018/19 6-YEAR GRADUATION RATES ALL STUDENTS



\* 2018/19 provincial average **85%**

## BUDGET PROCESS

<b>Wednesday, December 11, 2019</b> <b>DEO</b> <b>6:00 pm</b>	<b>BOARD MEETING</b> <ul style="list-style-type: none"> <li>Presentation and approval of the Proposed Budget Process/Timeline.</li> </ul>
<b>Wednesday, February 12, 2020</b>	<b>BUDGET COMMITTEE OF THE WHOLE</b> <ul style="list-style-type: none"> <li>Partner groups presentation of impact on budget-driven changes implemented as part of the 2019/20 Preliminary Budget.</li> </ul>
<b>Wednesday, February 12, 2020</b> <b>DEO</b> <b>6:00 pm</b>	<b>BOARD MEETING</b> <ul style="list-style-type: none"> <li>Presentation of projected enrolment for 2020/21, 2021/22, 2022/23, 2023/24.</li> </ul>
<b>Wednesday, February 26, 2020</b> <b>DEO</b> <b>6:00 pm</b>	<b>BOARD MEETING</b> <ul style="list-style-type: none"> <li>Presentation and board approval of the 2019/20 Amended Annual Budget.</li> </ul>
<b>Wednesday, April 1, 2020</b>	<b>BUDGET COMMITTEE OF THE WHOLE</b> <ul style="list-style-type: none"> <li>Presentation of the 2020/21 preliminary budget estimates to partner groups</li> </ul>
<b>Wednesday, April 6, 2020</b>	<b>BUDGET COMMITTEE OF THE WHOLE</b> <ul style="list-style-type: none"> <li>Partner groups individual presentations to the board of the 2020/21 budget considerations.</li> </ul>
<b>Wednesday, April 15, 2020</b>	<b>BOARD MEETING</b> <ul style="list-style-type: none"> <li>Presentation of the Proposed 2020/21 Preliminary Budget.</li> </ul>
<b>Wednesday, April 22, 2020</b> <b>6:00 pm</b>	<b>BUDGET COMMITTEE OF THE WHOLE</b> <ul style="list-style-type: none"> <li>Public and partner group input on the Proposed 2020/21 Preliminary Budget.</li> </ul>
<b>Wednesday, April 29, 2020</b> <b>6:00 pm</b>	<b>BOARD MEETING</b> <ul style="list-style-type: none"> <li>Approval of 2020/21 Budget Balancing Proposals and Adoption of 2020/21 Preliminary Budget.</li> </ul>

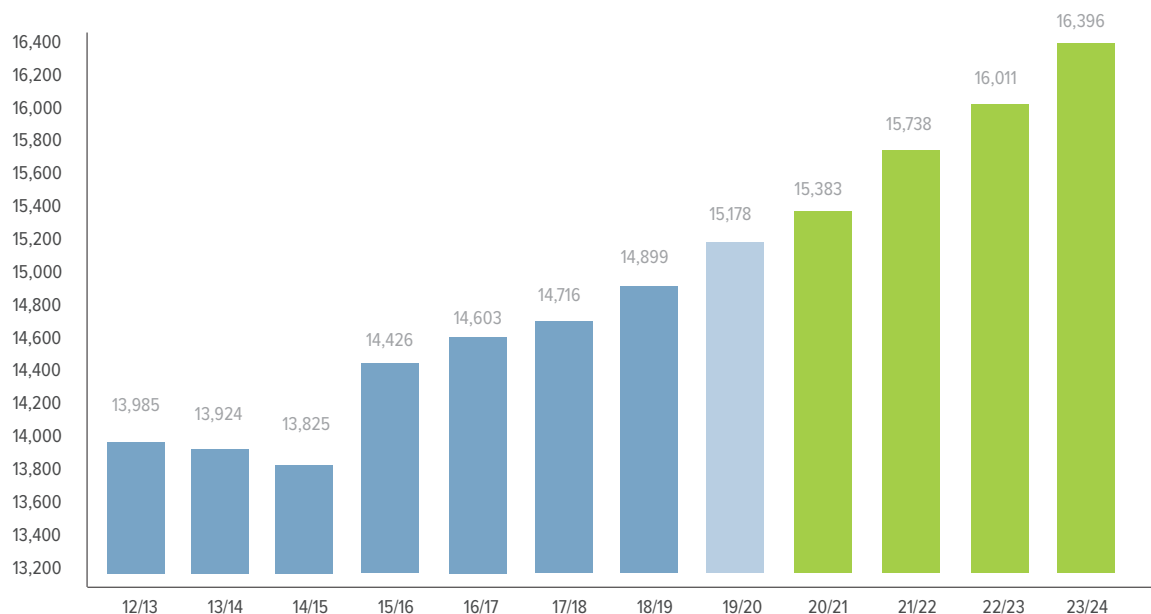


Download the budget document at:

<https://www.sd42.ca/board-of-education/budget-process/2020-budget-process/>

## STUDENT ENROLMENT TRENDS AND FORECAST

The enrolment information presented below is based on actual full-year enrolment (regular, alternate, distributed learning, continuing education, summer school, and adult learners) for 2012/13 to 2018/19, actual enrolment for September and estimated February and May for 2019/20 and forecasted enrolment for 2020/21, 2021/22, 2022/23 and 2023/24.



## STAFFING

From 2012/13, total operating staffing in the Maple Ridge – Pitt Meadows School District has increased by approximately 163 FTE. Also, there are an additional 108 FTE positions funded from the Classroom Enhancement Fund (CEF).

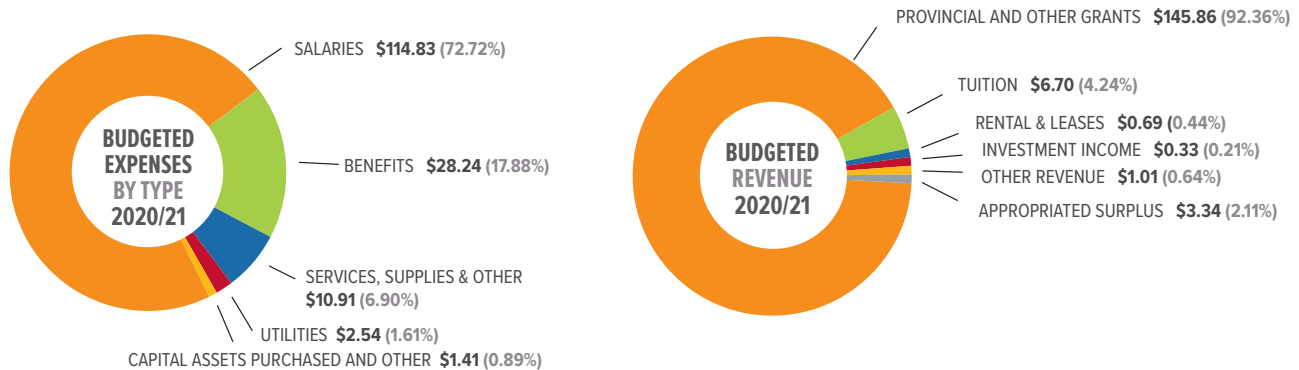
While teaching staff, principals/vice-principals and support staff have been reduced due to funding shortfalls and enrolment decline in some years, education assistants have increased, principally due to higher enrolment of students with special needs. Other professionals have increased to support the operations of the district.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2019/20 with CEF	2019/20 Student to Staff Ratio
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE		
Teachers	813.40	771.95	763.35	785.46	804.24	807.15	811.60	825.53	929.85	16.70
Principals/VPs - Admin	42.79	42.10	39.48	40.31	43.97	42.00	45.44	49.24	50.94	304.82
Principals/VPs - Teaching	13.31	11.90	10.70	10.82	10.00	11.10	11.40	13.60	11.90	1,304.82
Other Professionals	30.00	30.00	30.50	31.71	35.71	32.30	36.30	39.30	40.30	385.29
Education Assistants	285.32	293.34	300.81	317.91	337.60	343.08	368.43	418.43	418.43	37.11
Support Staff	323.17	316.22	297.14	302.62	308.66	310.23	313.18	325.26	328.55	47.26
Trustees	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	2,218.19
<b>Total</b>	<b>1,514.99</b>	<b>1,472.51</b>	<b>1,448.98</b>	<b>1,495.83</b>	<b>1,547.18</b>	<b>1,552.86</b>	<b>1,593.35</b>	<b>1,678.36</b>	<b>1,786.97</b>	<b>8.69</b>
<b>Student to Staff Ratio</b>	<b>9.48</b>	<b>9.71</b>	<b>9.90</b>	<b>9.95</b>	<b>9.72</b>	<b>9.76</b>	<b>9.60</b>	<b>9.25</b>	<b>8.69</b>	

Source: 1530 report submissions for each year as restated to reflect calculation of budgeted hours per week divided by full-time hours per week per position, child care worker FTE removed for all prior years as paid from Special Purpose Funds. 2013/14 has been restated to remove FTE attached to custodial and labourer banks as well as contract instructors at International Education and Ridge Meadows College. Above teacher and educational assistant FTEs include Learning Support Communities bank of \$525,000/yr that is allocated between teachers and education assistants as required annually. Principal/VP FTEs have been split to show the admin and teaching components of the positions. 2016/17, 2017/18, 2018/19 and 2019/20 FTEs have been restated to reflect ongoing allocations only.

## SUMMARY: PRELIMINARY OPERATING BUDGET 2020/21

School District No. 42 (Maple Ridge - Pitt Meadows) is estimating to receive 92.36% of its operating revenue from provincial and other grants, 4.24% from tuition, 2.11% from prior year appropriated surplus, and 1.29% from other sources. The proposed operating budget for 2020/21 is allocated to be spent on salaries and benefits (90.6%); services, supplies and other (6.90%); utilities (1.61%); and capital assets purchased and other (0.89%).



The table below summarizes the changes to operating budget four-year projections. Additional information about these estimates can be found in the financial section of the budget document.

OPERATING BUDGET FOUR-YEAR PROJECTIONS (\$ millions)	2020/21	2021/22	2022/23	2023/24
<b>Incremental Cost Increases</b>				
Changes in Salaries and Benefits				
Salary and benefit changes (excluding labour settlement)	(0.49)	(0.45)	(0.45)	(0.45)
Labour settlement cost	(0.86)	(0.67)		
Other benefit cost changes	(0.82)	(0.56)	(0.56)	(0.56)
Services, Supplies & Utilities	(0.05)	(0.27)	(0.27)	(0.27)
New School Operating Costs				(0.58)
	<b>(2.22)</b>	<b>(1.95)</b>	<b>(1.28)</b>	<b>(1.86)</b>
<b>Enrolment Driven Changes</b>	<b>0.14</b>	<b>0.72</b>	<b>0.52</b>	<b>0.74</b>
<b>Ministry of Education Funding Changes</b>	<b>(0.48)</b>	<b>0.67</b>		
<b>Revenue and Expense Changes</b>				
Impact of 2019/20 budget	0.70			
International tuition and expenses	0.37	(0.12)	(0.13)	(0.18)
Other ongoing revenue and expenses	(0.21)			
	<b>0.86</b>	<b>(0.12)</b>	<b>(0.13)</b>	<b>(0.18)</b>
<b>Total Projected Surplus / (Shortfall) Before One-time Items</b>	<b>(1.70)</b>	<b>(0.68)</b>	<b>(0.89)</b>	<b>(1.30)</b>
<b>One-Time Revenue and Expenditures</b>				
International Education	(1.25)	1.25		
One-time revenue and expenses	0.21	(0.10)	(0.11)	
<b>Total Projected Surplus / (Shortfall)</b>	<b>(2.74)</b>	<b>0.47</b>	<b>(1.00)</b>	<b>(1.30)</b>
<b>2019/20 Available Surplus</b>	<b>0.84</b>	<b>(0.84)</b>		
<b>Total Projected Surplus / (Shortfall)</b>	<b>(1.90)</b>	<b>(0.37)</b>	<b>(1.00)</b>	<b>(1.30)</b>
<b>Proposed Ongoing Budget Changes</b>	<b>0.51</b>			
<b>Proposed One-Time Budget Changes</b>	<b>1.39</b>	<b>(1.39)</b>		
<b>Total Projected Surplus / (Shortfall)</b>	<b>-</b>	<b>(1.76)</b>	<b>(1.00)</b>	<b>(1.30)</b>



The operating context for our school district has changed significantly in the past four years. After almost a decade of enrolment decline and budget reductions, in 2015/16 enrolment in the Maple Ridge – Pitt Meadows School District started to increase and this trend is projected to continue for the foreseeable future.

To effectively support the projected continued enrolment increase and the changed operational context, the school district has to review existing systems and structures and, where necessary, implement the changes required.

The Preliminary Budget changes summarized below were developed through a review of all current school district budget allocations, and restored MRTA collective agreement language and associated funding. The review included meetings with all partner groups, managers, principals and the board. The budget review process also aimed to ensure the alignment of budget allocations with the strategic directions set in the board's strategic plan, divisional operational plans and school growth plans.

In March 2020, the World Health Organization declared coronavirus COVID-19 a pandemic. The impact of COVID-19 on the global economy and on school district finances and operations is very difficult to estimate. This proposed budget reflects the need for flexibility in addressing emergent issues over the next year.

## BUDGET CHANGES 2020/21

ONGOING PRELIMINARY BUDGET CHANGES 2020/21		ONE-TIME PRELIMINARY BUDGET CHANGES 2020/21	
<b>Support for School Growth Plans</b>		<b>Support for School Growth Plans</b>	
Emergent Expenditure Fund	50,000	Literacy	(230,151)
Secondary Equipment Grant	22,400	Supporting All Learners - Improving Student Engagement	
District School Teams - Collaborative Network	66,000	Educational Programs	(41,074)
Reporting	18,000	Before and After School Programming	-
	156,400	Safe and Caring Schools	
<b>Support for Operational Plans</b>		Riverside Program and Community Connection	(202,446)
Facilities Supplies	34,862	School Based Staffing	(444,654)
Utilities	15,200	Early Learning	(63,046)
	50,062	Educational Leadership - Elementary Staffing	(151,830)
<b>Learning Services</b>		School Clerical Allocations	(25,011)
Learning Services Staff			
Director, Learning Services	(188,598)	<b>Support for Operational Plans</b>	
Riverside Centre Leadership	161,554	Information Technology Staffing	(127,991)
Vice Principal	40,490	Human Resources Staffing	(70,987)
Reallocation of Existing Budgets	(13,446)	Facilities Staffing	(66,747)
<b>International Education</b>		<b>Learning Services</b>	
Classroom Teachers - alignment of formula	196,677	Collaborative Teaching	(892,884)
<b>Transportation</b>			
Transportation Fees	113,200	<b>International Education</b>	
		International Education and ELL Leadership	(161,554)
<b>Total Ongoing Changes</b>	<b>516,339</b>	Teachers - Secondary Liaison	113,879
		International Education Clerical Staffing	51,017
		Homestay Coordinator	68,477
		<b>Reallocation of Existing Budgets</b>	<b>1,401,923</b>
		<b>Use of Contingency Reserve to Fund Changes</b>	<b>1,076,452</b>
		<b>One-Time Use of Contingency Reserve</b>	<b>1,153,921</b>
		<b>Total One-Time Changes</b>	<b>1,387,294</b>
		<b>Total Budget Changes</b>	<b>1,903,633</b>

## SUMMARY: SPECIAL PURPOSE FUNDS BUDGET 2020/21

The special purpose fund is comprised of separate funds established to track revenue and expenditures received from the Ministry of Education and other sources that have restrictions on how they may be spent. The following special purpose funds have been included in the 2020/21 proposed preliminary budget:

- Classroom Enhancement Fund (CEF)
- Learning Improvement Fund (LIF)
- Annual Facility Grants (AFG) (excluding amounts paid via bylaw certificates of approval)
- Official Languages in Education French Programs Grants (OLEP)
- Community LINK Grants
- StrongStart Centre Grants
- Ready Set Learn Grants
- Youth Education Support Fund
- Scholarships and Bursaries
- School Generated Funds

The following table summarizes budgeted deferred contributions, revenue and expenditure by object for all special purpose funds.

Budget changes are not contemplated for funds other than the Classroom Enhancement Fund and the Annual Facilities Grant Fund.

(\$ millions)	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET
<b>Deferred Revenue, beginning of year</b>	<b>(1.33)</b>	<b>(1.70)</b>	<b>(1.58)</b>	<b>(1.46)</b>
<b>Received Contributions</b>				
Provincial Grants - Ministry of Education	(12.01)	(12.01)	(12.01)	(12.01)
Other	(4.58)	(4.58)	(4.58)	(4.58)
<b>Total Contributions Received</b>	<b>(16.59)</b>	<b>(16.59)</b>	<b>(16.59)</b>	<b>(16.59)</b>
Less: Allocated to Revenue or Recovered by MOE	16.22	16.71	16.71	16.71
<b>Deferred Revenue, end of year</b>	<b>(1.70)</b>	<b>(1.58)</b>	<b>(1.46)</b>	<b>(1.34)</b>
<b>Allocated to Revenue</b>				
Provincial Grants	12.01	12.01	12.01	12.01
Other Revenue	4.58	4.58	4.58	4.58
<b>Total Allocated to Revenue</b>	<b>16.59</b>	<b>16.59</b>	<b>16.59</b>	<b>16.59</b>
<b>Expenses</b>				
Salaries and Benefits	11.49	11.49	11.49	11.49
Service and Supplies	4.78	4.78	4.78	4.78
<b>Total Expenses</b>	<b>16.27</b>	<b>16.27</b>	<b>16.27</b>	<b>16.27</b>
Capital Purchases and Other	0.32	0.32	0.32	0.32
<b>Total Expenses and Capital Purchases</b>	<b>16.59</b>	<b>16.59</b>	<b>16.59</b>	<b>16.59</b>
<b>Net Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Classroom Enhancement Fund

For 2020/21, the Maple Ridge - Pitt Meadows School District has been provided with a preliminary CEF allocation of \$9.86 million, sufficient to fund an estimated 93.71 FTE teachers and overhead costs of \$0.73 million. It is estimated that an additional \$1.34 million will be required in order to fund the 107.42 FTE teachers needed to fulfill the collective agreement obligations funded under CEF.

USE OF CLASSROOM ENHANCEMENT FUND 2020/21	
Classroom Enhancement Fund Grant	9,858,651
Estimated Additional Funding Required	1,336,109
Preliminary Staffing Plan	(10,467,951)
Additional Teacher Supports	(396,900)
Human Resources Supports	(126,726)
Facilities and Other Implementation Costs	(203,183)

## Annual Facilities Grant

For 2020/21, the Maple Ridge - Pitt Meadows School District has been provided with a special purpose annual facilities grant allocation of \$517,500 and a capital annual facilities grant allocation of \$2,026,336. The Board approved annual facilities grant spending plan for 2020/21 is presented in the following table.

USE OF ANNUAL FACILITIES GRANT 2020/21	PROJECT DESCRIPTION	BUDGET
District	Capital asset management system	38,544
Various schools	Duct cleaning	65,000
Various schools	Interior painting	60,000
Various schools	Flooring	100,000
Various schools	Wall carpet removal	60,000
Various schools	Facilities upgrades	167,956
Golden Ears Elementary	Exterior painting	26,000
Total Special Purpose Fund AFG		\$517,500
Maple Ridge Secondary	Exterior Painting	19,000
Alouette, Glenwood and Pitt Meadows Elementary	HVAC - Boiler renewal & domestic hot water	172,800
Davie Jones Elementary	Split DX unit renewal	46,150
Alexander Robinson, Fairview, Harry Hooge, Laity View, Maple Ridge Elementary	HVAC - DDC system renewal	294,558
Whonnock Elementary	Install new generator	120,000
Westview Secondary	Multi-Purpose room renovations	182,336
Fairview, Highland Park, Maple Ridge, Pitt Meadows Elementary	Roofing	1,191,492
Total Capital AFG		\$2,026,336

## SUMMARY: CAPITAL FUND BUDGET 2020/21

The capital fund includes capital expenditures related to facilities (purchases and enhancements) and equipment (purchases) that are funded by Ministry of Education capital grants, operating funds, and special purpose funds. An annual deficit in the capital fund that is a result of amortization expense and budgeted capital assets purchased from operating and special purpose funds exceeding the amortization of deferred capital revenue plus budgeted local capital revenue is permitted under the Accounting Practices Order of the Ministry of Education.

CAPITAL (\$ millions)	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET
<b>Capital Surplus (Deficit), beginning of year</b>	<b>88.09</b>	<b>83.68</b>	<b>81.81</b>	<b>80.16</b>
<b>Revenues</b>				
Provincial Grants - Ministry of Education	-	-	-	-
School Site Acquisition Fees	-	-	-	-
Investment Income	0.13	0.12	0.11	0.10
Amortization of Deferred Capital Revenue	6.40	6.48	7.06	7.65
<b>Total Revenue</b>	<b>6.53</b>	<b>6.60</b>	<b>7.17</b>	<b>7.75</b>
<b>Expenses</b>				
Amortization of Tangible Capital Assets	(10.47)	(10.17)	(10.52)	(10.96)
Capital Lease Interest	-	-	-	-
<b>Total Expenses</b>	<b>(10.47)</b>	<b>(10.17)</b>	<b>(10.52)</b>	<b>(10.96)</b>
<b>Net Transfers (to) from other funds</b>				
Tangible Capital Assets Purchased	1.73	1.70	1.70	1.70
Local Capital	(2.20)	-	-	-
<b>Total Net Transfers</b>	<b>(0.47)</b>	<b>1.70</b>	<b>1.70</b>	<b>1.70</b>
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(4.41)</b>	<b>(1.87)</b>	<b>(1.65)</b>	<b>(1.51)</b>
<b>Capital Surplus (Deficit), end of year</b>	<b>83.68</b>	<b>81.81</b>	<b>80.16</b>	<b>78.65</b>

The following table presents capital projects supported by the provincial government and the estimated capital spending associated with these projects over the next five years. The funding for Eric Langton Elementary seismic upgrade and addition, and Pitt Meadows Secondary seismic upgrade and major renovation has not yet been confirmed by the Ministry of Education. The budgeted amounts for these two projects are based on the estimated costs included in the 2020-2025 Capital Plan submission.

Facility Name	Project Description	Estimated Project Value	Amount Funded by Others	Local Funding	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
		(\$ millions)						
Multiple Schools	Energy Management Plan	6.84	4.44	2.40	0.52	-	-	-
Eric Langton Elementary	Seismic upgrade and addition	22.00	22.00	-	1.50	8.50	11.86	-
Pitt Meadows Secondary	Seismic upgrade	23.00	23.00	-	1.00	7.70	14.14	-
Alouette Elementary	Boiler upgrades	0.38	0.33	0.05	0.38	-	-	-
Davie Jones Elementary	Boiler upgrades	0.38	0.33	0.05	0.38	-	-	-
Glenwood Elementary	Boiler upgrades	0.37	0.33	0.04	0.37	-	-	-
Maple Ridge Elementary	Playground equipment	0.13	0.13	-	0.13	-	-	-
Pitt Meadows Elementary	Boiler upgrades	0.41	0.34	0.07	0.41	-	-	-
School District	School bus	0.14	0.14	-	0.14	-	-	-
<b>Total</b>		<b>\$53.65</b>	<b>\$51.04</b>	<b>\$2.61</b>	<b>\$4.83</b>	<b>\$16.20</b>	<b>\$26.00</b>	<b>\$0.00</b>

## Local Capital

The balance is comprised of previous years' operating surpluses, which are transferred to the Local Capital Reserve (LCR). With board approval, the funds in the LCR can be used to assist in funding capital or operating expenses. The LCR can also be used to fund major initiatives that are not funded by the province.

In 2019/20, the board approved the use of local capital to fund various projects as identified below. It is proposed that an allocation of \$2.23 million be made from the local capital reserve to assist in funding the estimated operating shortfall for 2020/21.

### Local Capital Budget Summary

(\$ millions)	2019/20 Budget	2019/20 Estimated Spending	Total Local Capital Allocations
<b>Uses of Local Capital</b>			
Emergency preparedness	0.09	(0.09)	
Energy management plan	1.37	(0.85)	0.52
New elementary school	1.11	(0.61)	0.50
Facilities succession planning	0.03	(0.03)	0.00
New classrooms setup	0.85	(0.64)	0.21
MRSS Annex reconfiguration	0.35	(0.15)	0.20
Parent Portal upgrade	0.07	0.00	0.07
Transfer to operating	0.00		2.23
<b>Total Uses of Local Capital</b>	<b>3.87</b>	<b>(2.37)</b>	<b>3.73</b>
Childcare capital	0.00		0.03
Contingency reserve for local capital	3.76	(2.23)	1.53
<b>Total Local Capital</b>	<b>7.63</b>	<b>(4.60)</b>	<b>5.29</b>

### Contingency Reserve for Local Capital

The Board of Education is responsible for ensuring the district is protected financially from extraordinary circumstances that would negatively impact school district operations and the education of students. To discharge this responsibility, the board has established a contingency reserve from available operating surplus, which will be used to mitigate any negative impact such circumstances might cause.

Existing school district budgets are not sufficient to support the procurement or timely replacement of school district assets. The budget required to complete the building maintenance projects identified through facility condition assessments far exceeds the annual facilities grant and the capital funding for building enhancement projects received by School District No. 42.

This means that the deferred maintenance for school district facilities continues to grow and the facility condition index for school district facilities continues to deteriorate. Major equipment failures must be covered from the contingency reserve. These include, but are not limited to, the following: building envelope remediation, roof repairs or replacement, boiler replacements, server replacements, shop equipment replacements.

In addition, the board is responsible for any cost overruns incurred on Ministry of Education funded capital projects and this is the only fund available to cover such costs.

By board policy, a contingency reserve of at least 1% of operating expenditures and not exceeding 3% of operating expenditures shall be maintained (\$1.57 million to \$4.71 million). The current balance of \$4.12 million (\$3.76 local capital and \$0.36 operating) equates to 2.62% of operating expenditures. After the proposed transfer of \$2.23 million to the operating fund, the estimated balance of the contingency reserve for local capital will be \$1.53 million. In addition, the entire contingency reserve for operating is proposed to be utilized to assist in balancing the operating budget. The estimated balance of \$1.53 million represents approximately 0.97% of operating expenditures.