

A. OVERVIEW

The 1998/99 British Columbia School District Revenue & Expenditure Information contains information over a three year period.

The School District Fiscal Year is from July 1st of one year to June 30th of the next year.

School Districts adopted a **Preliminary Budget for 1998/99**. This budget was set on or before May 12th and based on **projected** enrolment.

School Districts are also required to adopt a **Final Budget for 1997/98** on or before February 28th 1998. This budget is based on **actual** enrolment.

Audited Financial Statements for 1996/97 are submitted in the September following the school year and cover the period July 1st 1996 to June 30th 1997.

The Province has changed the method of Capital Funding for school districts effective April 1, 1998. School boards have been released from the debt obligations arising from certificate of approval capital expenditures and the administration of the debt services financing has been assumed by the Province. Accordingly, school district budgets for 1998/99 do not include debt service (capital). There is an exception for a few districts that have approved interim financing on capital projects. However, since debt service financing is a cost of education, it continues to be reported in the summary comparison, Table 1, to maintain comparability with prior years. The interest payments on district bank loans for operating purposes are the responsibility of the school boards and continue to be reported in these tables.

REVENUES:

School board revenue is largely derived from provincial grants. Total Provincial Grants, identified in school district budgets, are divided into Provincial Operating Grants and Special Purpose Grants.

Provincial Operating Grants

The 1998/99 Provincial Operating Grants totaling \$3,562.0 million are composed of:

- General Operating Grants (77.4%);
- Targeted Grants (22.3%), and
- Developmental Grants (0.3%);

This amount less amounts for Learning Resources and Provincial Learning Network results in \$3,519.0M being available to School Boards in establishing their Function 1-7 and Local Capital preliminary budgets and allocating funds for Implementation Training .

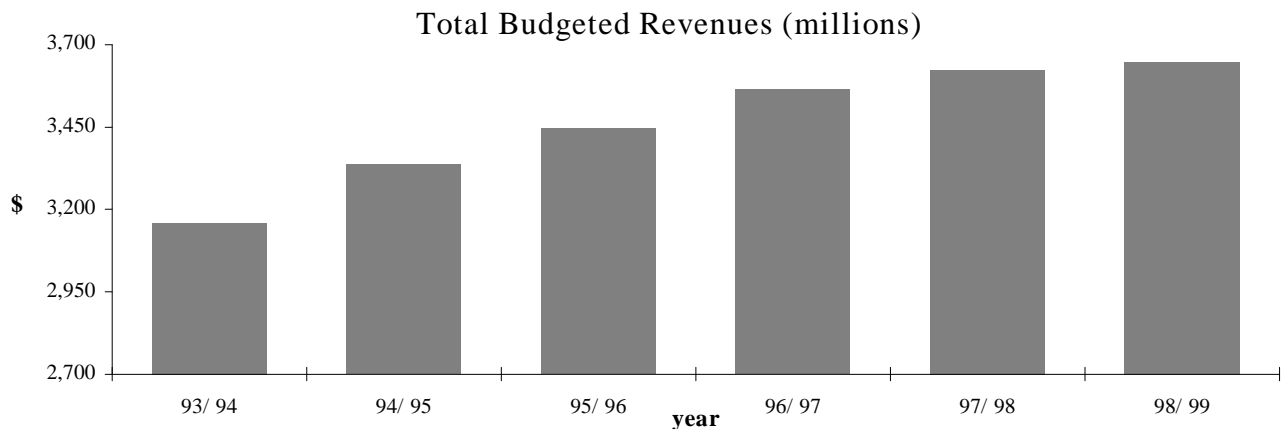
Special Purpose Grants

In 1998/99, a special purpose grant of \$3.8 million has been provided as additional funding to allow school districts another year for transition to the new funding formula introduced in 1996/97 and 1997/98.

In 1998/99, 96.5% of the Revenue identified by School Boards is Provincial Grants. Over the past five years, Provincial Operating Grants (or its equivalent) have increased by 14.8% with a corresponding enrolment growth of 9.7%.

Boards also have other sources of local revenue and can accumulate operating surplus reserves.

The chart and table below summarize the Total Budgeted Revenues over a six year period.



	Total Budgeted Revenue (excludes A.C.A. and Debt Services (Capital))*	% change	% change since 93/94
1993/94	3,158,266,703		
1994/95	3,337,386,336	5.6%	5.6%
1995/96	3,447,892,969	3.3%	9.1%
1996/97	3,563,913,999	3.4%	12.8%
1997/98	3,624,912,853	1.7%	14.8%
1998/99	3,648,228,078	0.6%	15.5%

* Commencing in 1996/97, Annual Capital Allowance (A.C.A.) is financed through the debenturing process. As of April 1, 1998, debt services financing for capital has been assumed by the Province. As a result, the Annual Capital Allowance and debt financing for capital have been excluded in 1993/94 - 1997/98 for purposes of this comparison.

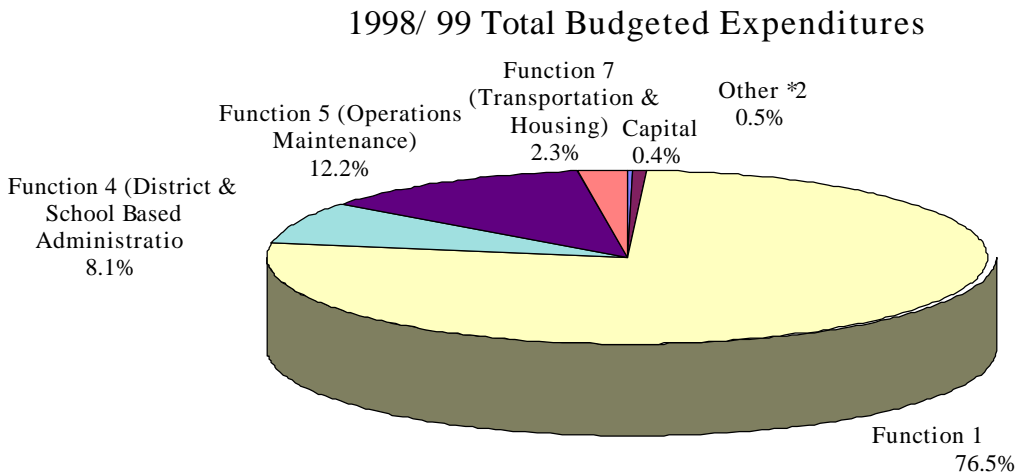
In addition to revenue items identified by school boards when establishing their budgets, there are a number of grants provided by the Ministry of Education for other specific purposes. These include: Learning Resources; Provincial Resource Programs; Distance Education Schools; Accreditation; and Technology. Grants are also provided by the Ministry for Children and Families for School Meals programs; Inner City Schools; Kids at Risk program; and Community

Schools. All but the Community School grant are accounted for by boards in trust funds, and are not reflected in these tables. The Ministry of Education also pays directly for some school district expenditures. These include Provincial Learning Network, Debt Service (Capital) and a portion of Learning Resources. These amounts are not reflected in these detailed tables of amounts reported by school districts. However, for comparison purposes, they are detailed in the six year summary in Table 1.

EXPENDITURES:

School Boards expenditures are divided into a number of categories. These include: Operating, Debt Service - Operating, Local Capital, and Implementation Training.

The Operating Expenditures are grouped into four broad functional areas: Instruction, District and School Based Administration, Operations and Maintenance, and Transportation.



TOTAL BUDGETED EXPENDITURES IN 1998/99

	\$	% of Total
Function 1 (Instruction)	2,790,751,502	76.5%
Function 4 (District & School Based Administration)	295,315,483	8.1%
Function 5 (Operations & Maintenance)	446,617,941	12.2%
Function 7 (Transportation & Housing)	85,244,130	2.3%
Capital*1	12,896,447	0.4%
Other *2	17,402,575	0.5%
TOTAL	3,648,228,078	100.0%

Notes:

*1 Capital includes Local Capital and debt service on capital bank term loans for specific interim financing.

*2 Other includes Debt Service (Operating), Implementation Training and Deficits (Operating)

Expenditures are also grouped by object. Objects used in the Operating Budget are grouped into six areas. They are: Administrative Officer Salaries (Principals, Vice-Principals and Directors of Instruction), Teacher Salaries, Support Staff Salaries, Substitute Salaries, Employee Benefits and Allowances, and Supplies & Services.

Commencing in 1995/96, three areas of the Operating Expenditures (Functions 1-7) were specifically targeted. There are minimum expenditure levels for Special Education and Aboriginal Education Programs, and maximum expenditure levels for District and School-Based Administration.

In addition, school boards account for other special grants in trust funds. These expenditures are not included in these tables.

DEFINITIONS OF TERMS USED IN SECTIONS B, C & D:

For detailed definitions of terms used in these tables, please refer to the *Accounting, Budgeting And Financial Reporting Manual For British Columbia School Districts* available in School District Offices.

1998 RESIDENTIAL TAX INFORMATION (SECTION E)

Taxes for school purposes are levied in the calendar year. Information in these tables is based on Assessed Values for 1998 established by the B.C. Assessment Authority and Tax Rates for School Districts established by the Ministry of Finance and Corporate Relations. School property taxation is collected by the Ministry of Finance and Corporate Relations to assist in the funding of public school education. Based on the "Estimates" for the year ending March 1999, the proportion of funds for the K-12 system raised through residential and non-residential taxes is 30.1%.

DEFINITIONS APPLYING TO 1998 SCHOOL TAXES

Residential Assessed Values

Residential Assessed Value is the total value of residential property in the district based on the *Authenticated Rolls* established by March 20th of each year.

Value of homes at each decile

The value of homes at each decile is determined by counting from the lowest assessed valued home to the highest assessed valued home. At each ten percent, the value of that home is recorded. For example, over the province, there are 1,241,787 residential properties. The value of the 124,178th home going from lowest to highest (10% of the total) is \$75,463. This means that one tenth of the homes in the province have a value of \$75,463 or less.

Median Values of Single Family Residences

The Median value is the value of the home at the middle of the count (5 decile or 50 percentile). Half of the homes in the district have values less than that amount and half have values that are higher than that amount.

Gross School Tax

Gross school tax is the tax requisition prior to any consideration of the Homeowner Grant.

Homeowner Grant

The Homeowner Grant is a grant that is credited towards the reduction of school taxes. In 1998, the basic Homeowner Grant was \$470 (\$745 for seniors).

Net School Tax

Net school tax is the tax requisition after the Homeowner Grant is applied.