



March 15, 2004

VIA EMAIL  
Our Ref. 87470

To: All Superintendents  
All Secretary-Treasurers

**Re: Estimated Operating Grants for 2004/05**

The estimates for the 2004/05 operating grants have been completed for the 60 school boards. These allocations are based on the provincial allocation of \$3.875 billion that was announced on January 30, 2004 and on projected enrolment of 560,913 school-aged FTEs for the 2004/05 school year.

**CHANGES TO THE FUNDING ALLOCATION SYSTEM**

Detailed information on the changes to the Funding Allocation System is included in the Operating Grants Manual, which is available on the Ministry's website at:

<http://www.bced.gov.bc.ca/k12funding/>

Changes from 2003/04 are itemized below.

**Funding for Generally Accepted Accounting Principles (GAAP)**

Beginning in 2004/05, funding for GAAP related expenditures is being provided to School Boards within the Funding Allocation System for Operating Grants. These funds will be distributed on a per school-age FTE basis, using 2003/04 final school-age enrolments. This funding is targeted and boards will be provided with details regarding its allocation and usage in the 2004/05 Budget Instructions, to be released on March 22, 2004.

**Small Community Supplement**

Beginning in 2004/05, the 5 kilometre and 25 kilometre thresholds used to calculate the supplement for elementary and secondary schools, respectively, will be determined using actual road distances instead of direct distances.

**Formula Buffer Grant**

This grant was phased out by 50 percent last school year. In 2004/05 it is phased out completely and the funds (\$45 per school-age FTE) have been incorporated into the Basic Allocation.

**Leases**

Beginning in 2004/05, funding for operating leases is being provided to School Boards within the Funding Allocation System for Operating Grants. These funds will be distributed on a per school-age FTE basis.

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**Grant Recalculation**

Operating grants will be finalized in Fall 2004, once September 30, 2004 enrolment is confirmed.

The Budget Instruction Manual for 2004/05 is being provided to school boards as a separate document.

**Estimator for 2004/05, 2005/06 and 2006/07**

The Estimator has been updated to reflect the changes noted above and those outlined in the Operating Grants Manual. In addition, the program has been changed to incorporate the next three years of funding projections into one program.

The Estimator is available for Boards' use in calculating funding projections. It is located at: <http://www.bced.gov.bc.ca/k12funding/> under Resources, 2004/05 Funding.

If you have any questions about the funding allocations, please contact Marguerite Stone or Michael Lebrun at (250) 356-2586.

Yours sincerely,

*Original signed*

Keith Miller  
Director