



LEGISLATIVE ASSEMBLY MANAGEMENT COMMITTEE

INFORMATION NOTE: QUARTER 1 FINANCIAL UPDATE – FISCAL YEAR 2024-25

PURPOSE

To present the Legislative Assembly Management Committee with an overview of the unaudited financial results for the first quarter of the 2024-25 fiscal year Legislative Assembly (Vote 1) budget.

ANALYSIS

The report reflects the newly approved Vote 1 reporting structure which aims to present the Legislative Assembly's financial information in more programmatic groupings to better reflect the operations of Legislative Assembly.

Operating Summary

At the end of quarter 1, Vote 1 shows an overall forecasted net pressure and savings of \$0 or a full spend of the budget appropriation. This is a result of continued budget pressures the following:

- Asset retirement obligations of \$1.35 million,
- Remaining vacancy discount resulting in a pressure of \$526 thousand in the Centralized and Accounting budget line,
- Pressures of \$258 thousand in the Constituency Operations service line due to increased technology demands,
- \$600 thousand in estimated additional policing costs associated with ongoing demonstrations,
- Costs related to Members and constituency operations.

These cost pressures are countered by a savings plan put in place by the Administration. The forecasted savings include an offset of \$18 thousand in Parliamentary Operations budget line from savings in operations and additional savings of \$116 thousand in the Legislative Assembly Administration budget line due to forecasted attrition across the Administration and from targeted savings in specific projects and initiatives. Finally, additional savings in Special Projects of \$600 thousand offsets the above pressures. The Administration's budget saving strategy has the potential for additional savings to be realized later in the year of \$200-500 thousand which will continue to offset the current challenges. A detailed operating budget is available in Appendix 1.

Summary by Sub-Vote

Caucus Operations and Caucus Operations Budget offset: This category reflects the operations of the caucuses and their staff. The results in quarter 1 reflect the current year operations and include early year changes in the number of members in each caucus. The budget reflects the current year pro-rated amount up to the end of October. The remaining budget will remain unallocated until the election results are

known when the budget will be allocated according to the new number of Members of each caucus. Currently, the Caucus Operations forecast is set to come in on budget.

Constituency Operations: The Constituency Operations category reflects the funds allocated to each Member for their constituency office operations. These funds have been pro-rated to the end of October and will be reallocated once election results are known. While budgeted and managed centrally, this section also reports the leasing costs for constituency offices, tenant improvements, information technology and security expenses related to the provision of services at the constituency offices, and some centrally funded benefits for the constituency office staff. This budget category is currently showing a pressure of \$258 thousand due to increased information technology requirements and costs from Members and their constituency offices. Administration staff will be reviewing the details of the allocation in the second quarter to ensure that the methodology for the allocation matches the budget allocation and the expenditures. This cost pressure is expected to be mitigated through savings in the Legislative Assembly Administration budget line if not resolved in the remainder of the year within the Constituency Operations category.

Members' Remuneration and Related Services: This expense category includes the accumulation of the salaries and benefits paid to Members and has been adjusted for comparability to also include other Member-related activities which were included in this category for the 2024-25 budget. In addition to Members' remuneration, this budget line reflects specific Member-related costs including technology allocations such as laptop and phone costs. Overall, at this early point in the year, this category is forecasted to come in on budget.

Independent Respectful Workplace Office: This category includes the budget and expenses associated with this program. At the end of quarter 1, the program is forecasting an underspend of \$50 thousand.

Parliamentary Operations: This category summarizes the parliamentary support activities within the Legislative Assembly. There is \$18 thousand in savings forecast due to lower than planned contractual services.

Legislative Assembly Administration: This category summarizes the departments within the Legislative Assembly Administration, which support the Legislative Assembly and its Members. This category is forecasting a savings of \$116 thousand due to forecasted attrition on staffing positions across all departments. The Security Services line item continues to see ongoing pressures due to additional policing costs associated with an increased number of demonstrations on the Legislative Precinct with an overall pressure of approximately \$600 thousand. The Enterprise Resource Planning (ERP) project and the Election Readiness Program continue to forecast full spend to year-end with updated forecasts expected with the quarter 2 reporting.

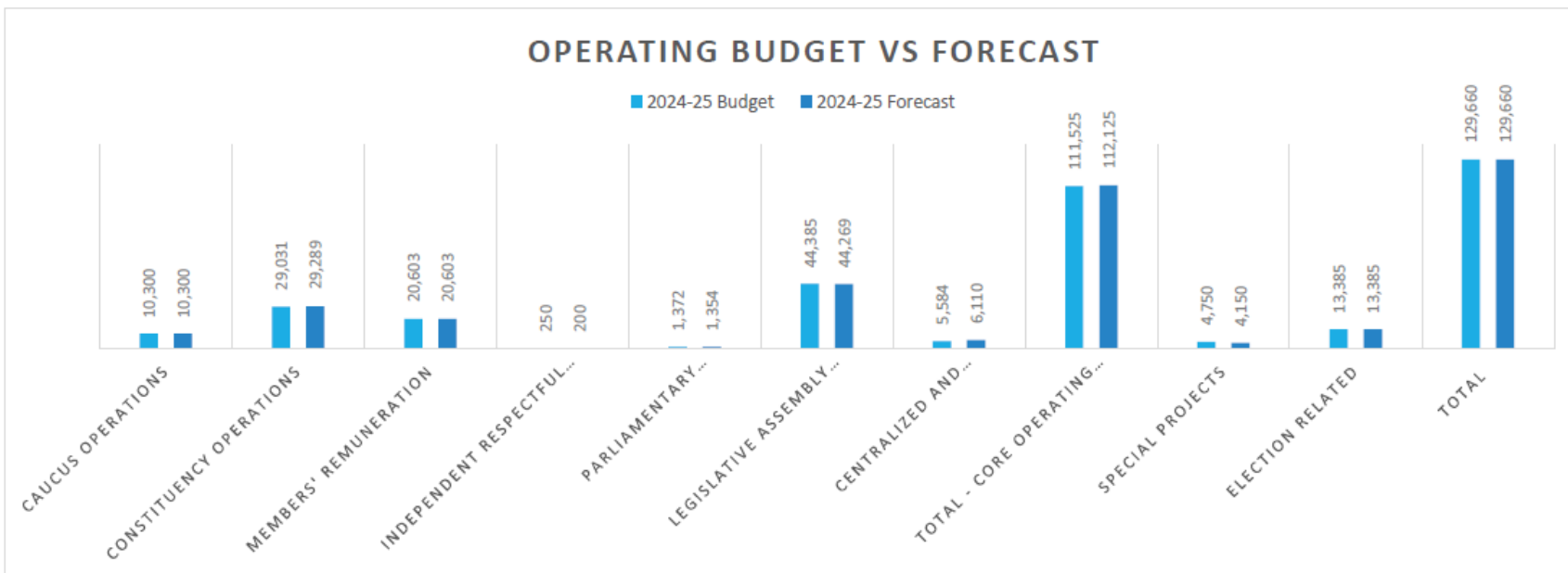
Centralized and Accounting (CAE): Currently, CAE is forecasting a pressure of \$526 thousand because of the continued vacancy discount. This pressure will likely be offset by the end of the fiscal year as a result of additional attrition not specifically forecasted within individual departments and targeted cost savings in specific projects. This final category includes the budget for amortization and other non-cash accounting entries as well as centralized expenditures that are not easily allocated across the various departments and budget categories. Included in this cost category are the accounting entries for amortization as well as an adjustment for the recent accounting standard: Asset Retirement Obligations (ARO). The addition of \$1.3M in the current year for ARO expense is required to reflect the increase to the estimated liability to remove hazardous material from the buildings when they are no longer in use. As noted in the

Administration category above, this category also includes the offset for wages and benefits vacancy of approximately \$2M. This category centrally budgets expenses that relate to many areas and throughout the year, budgets or expenses are transferred in or out of this section to reflect the actual activities of the Assembly. Budget savings identified in the savings exercise have been allocated from various Administration departments to GCA to ensure budget pressures are offset prior to year-end.

Fiscal 2024-25 - LAMC Approved Operating Budget to Forecast

Date: 2024-06-30

	2024-25 Budget	2024-25 Forecast	Forecast to Budget	Variance (%)
Caucus Operations	10,300	10,300	-	0%
Constituency Operations	29,031	29,289	(258)	-1%
Members' Remuneration	20,603	20,603	0	0%
Independent Respectful Workplace Office	250	200	50	20%
Parliamentary Operations	1,372	1,354	18	1%
Legislative Assembly Administration	44,385	44,269	116	0%
Centralized and Accounting Expenditures	5,584	6,110	(526)	-9%
Total - Core Operating Budget	111,525	112,125	(600)	-1%
Special Projects	4,750	4,150	600	13%
Election Related	13,385	13,385	-	0%
Total	129,660	129,660	(0)	0%



Appendix 1: Detailed Operating Budget

Fiscal 2024-25 - LAMC Approved Operating Budget to Forecast

Date: 2024-06-30

	2024-25 Budget	2024-25 Forecast	Forecast to Budget	Variance (%)
B.C. Green Caucus	385	385	-	0%
B.C. NDP Caucus	2,572	2,572	-	0%
B.C. United Caucus	2,056	2,056	-	0%
Conservative Party of B.C.	490	490	-	0%
Independents	254	254	-	0%
Caucus Operations Unassigned	4,543	4,543	-	0%
Caucus Operations	10,300	10,300	-	0%
Constituency Operations	29,031	29,289	(258)	-1%
Members' Remuneration	20,603	20,603	-	0%
Independent Respectful Workplace Office	250	200	50	20%
Parliamentary Operations	1,372	1,354	18	1%
Client and Support Services	8,838	8,624	214	2%
Information Services	8,490	7,932	558	7%
Parliamentary Support Services	9,752	9,983	(231)	-2%
Precinct Services	8,006	7,934	72	1%
Security Services	9,299	9,796	(497)	-5%
Legislative Assembly Administration	44,385	44,269	116	0%
Centralized and Accounting Expenditures	5,584	6,110	(526)	-9%
Total - Core Operating Budget	111,525	112,125	(600)	-1%
Special Projects	4,750	4,150	600	13%
Election Related	13,385	13,385	-	0%
Total	129,660	129,660	-	0%