
BUDGET ADVISORY WORKING GROUP BUDGET UPDATE



JANUARY 14, 2021



KEY BUDGET DATES

February 24

- Board approval of 2020/2021 Amended Annual Budget
- Preliminary 2021/2022 Base Budget

March 18

- Ministry Announcement of 2021/2022 Preliminary Operating Grant and CEF
- Final 2021/2022 Base Budget

March 31

- Preliminary draft budget proposals presented to Board

April 20

- Provincial Government Budget Announcement (usually March 16)

April 28

- Board Committee of the Whole – Stakeholder and Public Budget Input

May 12

- Board Budget Workshop

May 26

- Board Approval of 2021/2022 Annual Budget

June 30

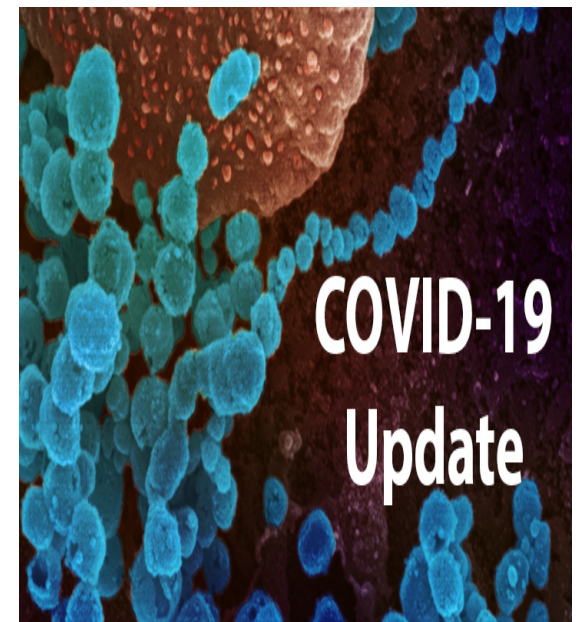
- Submission Approved 2021/2022 Annual Budget to Ministry of Education



BUDGET 2020-2021

OPERATIONAL IMPACT OF COVID-19 PANDEMIC - 2020-2021

- September Restart Plan included in-person attendance for all grades with a remote “transitional learning” option available for K-7 and grades 8-9.
- Lower student enrolment than projected – funding impacts
- Additional Federal (\$7.8 million) and Provincial Safe Return (\$1.5 million) to School Funding
- Continue to prioritize the safety of staff and students and compliance with updated health and safety guidelines
- Health & Safety Guidelines and coordination with VCH/PHO/MoE and communication of schools’ COVID exposures
- Virtual meetings and events, increased need for technology-based solutions
- Mental and physical toll on staff and students
- Budget impact for 2020/2021 - increased health and safety costs, staffing for transitional learning, other revenue losses, cost savings and lower ministry funding



AMENDED 2020/2021 BUDGET HIGHLIGHTS

- Reflects enrolment changes
- Ministry operating grants lower \$1.9 million
- Additional EA positions funded from Operating Budget
- International Education revenues higher than projected in Spring
- Ministry funding for Safe Return to School (SRTS)
- Federal funding for Safe Return to Class (SRTC)
- Lower CEF funding for 2020/2021
- Budget impacts for 2020/2021 - adjustments to expenditures for increased costs or savings; adjustments for revenue increases/decreases and staffing adjustments
- Balanced budget



STUDENT ENROLMENT - 2020/2021

	Actual 2019/2020 Total	Projected 2020/2021 Total	Variance 2020/2021 Total	Projected Actual 2020/2021 Total	Variance To Projected Total	Variance To Prior Year Total
	(FTE)	(FTE)	(FTE)	(FTE)	(FTE)	(FTE)
Elementary	11,721	11,706	(15)	11,555	(151)	(166)
Secondary	7,740	7,946	206	7,942	(4)	202
Continuing Ed - School Age	30	44	14	45	1	15
Alternate Schools	107	107	-	82	(25)	(25)
Distributed Learning	170	231	61	255	24	85
Total - School Age	19,768	20,034	266	19,879	(155)	111
Special Ed - Level 1	15	14	(1)	13	(1)	(2)
Special Ed - Level 2	737	784	47	791	7	54
Special Ed - Level 3	167	167	-	119	(48)	(48)
ELL	6,004	5,990	(14)	5,995	5	(9)
Indigenous Education	256	256	-	243	(13)	(13)
Adult Education	173	141	(32)	102	(39)	(71)
Total - Unique Student Needs	7,352	7,352	-	7,263	(89)	(89)
Total - Summer Learning (Headcount)	4,581	4,581	(302)	4,666	381	79
International Education	950	570	(380)	630	60	(320)

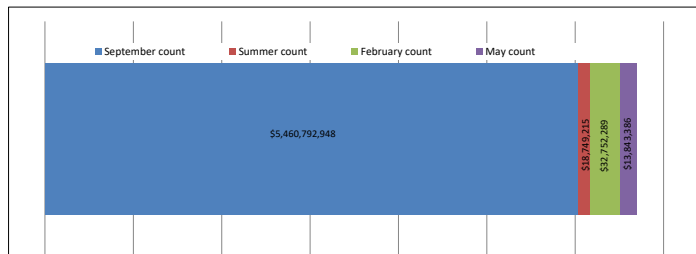
2020/2021 OPERATING GRANT RATE CHANGES

Supplement	2020/21 Rate Increase	2020/21 Rates	% Increase
Basic Allocation (excluding DL)	92	7,560	1.2%
Students with Special Needs – Level 1	600	43,000	1.4%
Students with Special Needs – Level 2	200	20,400	1.0%
Students with Special Needs – Level 3	50	10,300	0.5%
English / French Language Learners	25	1,520	1.7%
Indigenous Students	50	1,500	3.4%
Non-graduated Adult Education	50	4,823	1.0%

MINISTRY OPERATING GRANT

Overview of the 2020/21 Operating Grant Allocation Formula

Allocation of the total Operating Block and Enrolment counts
(2020/21 estimated as at March 2020)



Funding Adjustments:

- Districts' preliminary allocations are adjusted after each of the enrolment counts; September 30th, February and May;
- District preliminary allocation will increase if actual enrolment is higher than district estimated enrolment; and consequently decline if actual enrolment is lower than district estimated enrolment;
- Funding Protection is calculated following the September enrolment count only – this supplemental grant is calculated *last* and ensures that districts do not experience a funding decline of greater than 1.5% compared to the previous year *for the September count*;
- The full operating block must be allocated to districts by June 30 of the current school year;
- Funding is disbursed in a "just in time" manner to closely match district cash needs.

Provincial Totals

76% allocated through the Basic Allocation

16% allocated to recognize unique student enrolment

8% allocated to recognize unique district factors

0.2% allocated to buffer the effects of declining enrolment

Basic Allocation	
Common per student amount for every FTE student enrolled by school type	
Standard School: \$7,560 per school age FTE	Continuing Education: \$7,560 per school age FTE
Alternate School: \$7,560 per school age FTE	Distributed Learning: \$6,100 per school age FTE

Unique Student		
Additional per student funding to address uniqueness of district enrolment and support additional programming		
Level 1 Special Needs: \$43,000 per student	Level 2 Special Needs: \$20,400 per student	Level 3 Special Needs: \$10,300 per student
English/French Language Learning: \$1,520 per student		

Unique District				
Additional funding to address uniqueness of district factors				
Small Community: for small schools located a distance away from the next nearest school	Low Enrolment: for districts with low total enrolment	Rural Factor: located some distance from Vancouver and the nearest large regional population centre	Climate Factor: operate schools in colder/ warmer climates additional heating or cooling requirements	Sparseness Factor: operate schools that are spread over a wide geographic area
Student Location Factor: based on population density of school communities		Supplemental Student Location: Level 1 and 2 special needs enrolment		
Salary Differential: Funding to districts that have higher average educator salaries				

Funding Protection / Enrolment Decline	
Enrolment Decline: funding to districts experiencing enrolment decline of at least 1% when compared to the previous year	Funding Protection: funding to ensure that no district experiences a decline in operating grants greater than 1.5% when compared to the previous September

CSF Supplement – district receives a 15% funding premium on allocated funding

All Funding information estimated for the 2020/21 School Year

\$7,560 – per school-age
\$6,100 – DL per school-age

\$ 43,000 – Level 1
\$ 20,400 – Level 2
\$ 10,300 – Level 3
\$ 1,520 – ELL
\$ 1,500 – Indigenous Ed
\$ 4,823 – Adult Ed
\$776,068 – Vulnerable Students

\$1,026,438 – Unique District Factors

\$1,896,697 – Salary Differential

MINISTRY OPERATING GRANT

	Enrolment Projected	\$/Student	2020/21 Prelim Grant	Enrolment Sept	\$/Student	2020/21 Interim Grant	Increase (Decrease)	
Student Base Allocation *	19,758.68	7,560	149,375,590	19,578.81	7,560	148,015,822	(1,359,769)	
Continuing Ed School-Age	4.25	7,560	32,130	5.25	7,560	39,690	7,560	
Continuing Ed School-Age - Feb/May	39.81	7,560	300,984	39.81	7,560	300,984	-	projected
Distributed Learning Allocation	89.88	6,100	548,238	113.88	6,100	694,638	146,400	
Distributed Learning Feb/May	141.38	6,100	862,388	141.38	6,100	862,388	-	projected
	20,033.99	5,830	151,119,329	19,879.13	5,851	149,913,521	(1,205,809)	
Homeschoolers	17.00	250	4,250	38.00	250	9,500	5,250	
Course Challenges	43.00	236	10,148	19.00	236	4,484	(5,664)	
			14,398			13,984	(414)	
ELL	5,990.00	1,520	9,104,800	5,995.00	1,520	9,112,400	7,600	
Indigenous Education	256.00	1,500	384,000	243.00	1,500	364,500	(19,500)	
Special Ed - Level 1	14.00	43,000	602,000	13.00	43,000	559,000	(43,000)	
Special Ed - Level 2	774.00	20,400	15,789,600	781.00	20,400	15,932,400	142,800	
Special Ed - Level 3	167.00	10,300	1,720,100	119.00	10,300	1,225,700	(494,400)	
Special Ed Feb Count - Level 2	10.00	10,200	102,000	10.00	10,200	102,000	-	projected
Equity of Opportunity Supplement			777,599			776,068	(1,531)	
Adult Education	64.13	4,823	309,275	25.75	4,823	124,193	(185,082)	
Adult Education Feb/May Count	76.75	4,823	370,166	76.75	4,823	370,166	-	projected
Sub-Total Unique Student Needs			29,159,540			28,566,428	(593,113)	
Salary Differential			2,150,961			1,896,697	(254,264)	
Unique Geographic Factors			1,026,438			1,026,438	-	
Summer Session			1,335,754			1,393,000	57,246	
Curriculum and Learning Support Fund			176,955			176,955	-	
			4,690,108			4,493,090	(197,018)	
Total Ministry of Education Funding			184,983,375			182,987,022	(1,996,353)	

* includes 82 fte Alternate Schools students

CLASSROOM ENHANCEMENT FUND

	2017/2018		2018/2019		2019/2020		2020/2021		Change	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Total Teachers	283.80	24,723,438	307.5	26,998,504	321.1	29,147,353	300.3	29,092,042	(20.8)	(55,311)
Overhead		5,305,000		5,437,899		5,431,002		4,841,324		(589,678)
Remedy		436,677		429,165		343,332		131,328		(212,004)
Remedy 2017/18 (Recovered) Restored		(306,200)		400,790		-		-		-
Total CEF	283.80	30,158,915	307.5	33,266,358	321.1	34,921,687	300.3	34,064,694	(20.8)	(856,993)

CEF OVERHEAD FUNDING

		FTE	\$
Staffing			
	Education Assistants	51.0	2,434,124
	TTOC required under CA		1,115,000
	School Administrator time	2.0	240,000
	School Admin Assistants	1.6	94,000
	BSW	3.5	210,000
	HR, Payroll, Finance	5.0	408,000
	Tech/MIS staffing	2.0	167,000
		65.1	4,668,124
Other			
	Classrom Resources and Furniture		43,200
	Tech Equipment		130,000
			173,200
CEF Overhead - Total		65.1	4,841,324

SUMMARY OF KEY BUDGET CHANGES – 2020/2021

Increase / (Decrease) in Revenue			
Operating Grant Adjustments	\$	(1,996,352)	
Other Provincial Grants		504,688	
Continuing Education fees		(353,629)	
International Education - tuition fees		2,262,218	
International Education - Other Revenues		(1,445,897)	
Rental Revenues		(348,812)	
Investment Income		459,299	
Miscellaneous Revenues		(232,896)	\$ (1,151,381)
Increase / (Decrease) in Expenditures			
Teachers	\$	793,967	
Principal/VP		358,267	
Other Professionals		162,028	
Support Staff		(1,043,117)	
Substitutes		455,540	\$ 726,685
Employee Benefits			\$ 97,418
Services & Supplies			\$ (1,775,484)
Projected Net Surplus (Shortfall) before transfers to Local Capital			\$ (200,000)
Transfers to Local Capital			\$ (200,000)
Projected Net Surplus (Shortfall)			\$ -



LOCAL CAPITAL FUND

Local Capital Fund Balance at June 30, 2020		\$ 58,013,535
Local Capital Fund Balance comprised of:		
Future Capital Projects		32,857,158
Cook Elementary Capital Project		1,355,000
Tomsett Elementary Capital Project		3,667,394
Various Minor Capital Projects		300,540
Capital Lease Obligation - Tech Equipment		7,604,152
Energy & Sustainability fund		322,410
Playground Replacement		593,478
Technology Upgrades and Equipment		2,145,229
Other Annual Furniture and Equipment		2,346,000
Other Curriculum-based Capital Initiatives		1,210,048
Fleet Vehicle Replacement		145,620
COVID Contingency Reserve		2,000,000
Total Internally Restricted Local Capital Fund		54,547,029
Unrestricted Local Capital Fund		3,466,506
		\$ 58,013,535





BUDGET 2021-2022

2021/2022 BUDGET DEVELOPMENT WORKING TIMELINES

January - February 2021

- Finalize 2020/2021 Amended Annual Budget
- Develop Draft 2021/2022 Base Budget and 3 Year Budget
- Budget Advisory Working Group – Updates and Input – January 14th and February 11th

Feb - March 2021

- Finalize 2021/2022 and Three-Year Base Budget
- Budget Advisory Working Group – Updates and Input March 11th
- Develop Draft Potential Budget Adjustments
- Gather Stakeholder and Public Input on Budget

April - May 2021

- Finalize list of Potential Budget Adjustments
- Gather Stakeholder and Public Input on Budget
- Board Budget Deliberations
- Board approval of 2021/2022 Annual Budget

BUDGET PROCESS – 2021/2022

- Encourage stakeholder group participation, input and to share information publicly
- Utilize district web site for the public, Budget Advisory Working Group meetings, trustee workshops and Finance & Legal Committee
- Discussions with staff regarding possible program/operating efficiencies and savings
- Develop key assumptions, factors and projections to support a three year budget
- Develop potential budget proposals for Board consideration in alignment with the new strategic plan and Policy 631
- Budget decisions based on approved Guiding Principles

BUDGET GUIDING PRINCIPLES

- The budget will support and align to the Board's strategic plan and priorities and reflect the Board's commitment to responsible long term fiscal planning
- Budget processes will be inclusive, transparent and will encourage stakeholder and community input
- All budget decisions will be focussed on creating and maintaining educational programs and services for students which maximize opportunities for learning
- Budget decisions will support a culture of innovation and responsiveness to system change, while maintaining cost effectiveness and long term sustainability
- Business and operational services and systems required to support schools and students will be based on best practices and maintained in an efficient and cost effective manner
- Budget decisions will be based on accurate, relevant data and information



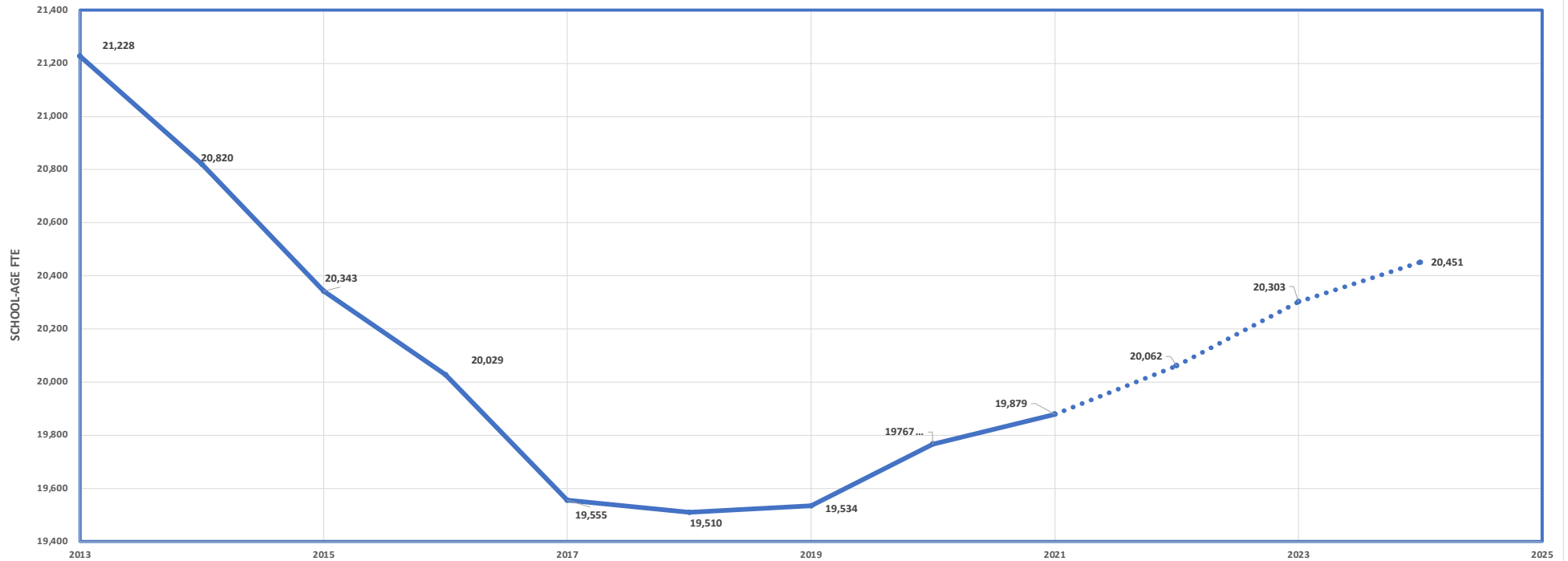
KEY BASE BUDGET FACTORS

- **For 2021/22 we are assuming for budget purposes that we will no longer be in the COVID-19 Pandemic**
- Based on District's projected student enrolment for 2021/22, 2022/23 and 2023/24
- Maintain current service levels and programs
- Meet all staffing and resourcing requirements as per collective agreements
- Include 2021/2022 Ministry of Education Operating Grant to be announced March 18
- Includes all known and projected cost pressures on all expenditure categories
- Includes projected increases/decreases to other revenues
- Development of 3 Year Base Budget with projected surplus/shortfall positions

3-YEAR PROJECTED STUDENT ENROLMENT

	Projected Actual 2020/2021 Total (FTE)	Projected 2021/2022 Total (FTE)	Variance 2021/2022 Total (FTE)	Projected 2022/2023 Total (FTE)	Variance 2022/2023 Total (FTE)	Projected 2023/2024 Total (FTE)	Variance 2023/2024 Total (FTE)
Elementary	11,555	11,746	191	11,921	175	12,043	122
Secondary	7,942	7,934	(8)	8,000	66	8,026	26
Continuing Ed - School Age	45	45	-	45	-	45	-
Alternate Schools	82	82	-	82	-	82	-
Distributed Learning	255	255	-	255	-	255	-
Total - School Age	19,879	20,062	183	20,303	241	20,451	148
Special Ed - Level 1	13	13	-	13	-	13	-
Special Ed - Level 2	791	830	39	871	41	915	44
Special Ed - Level 3	119	119	-	119	-	119	-
ELL	5,995	5,995	-	5,995	-	5,995	-
Indigenous Education	243	243	-	243	-	243	-
Adult Education	102	102	-	102	-	102	-
Total - Unique Student Needs	7,263	7,302	39	7,343	41	7,387	44
Total - Summer Learning (Headcount)	4,666	4,666	-	4,666	-	4,666	-
International Education	630	680	50	780	100	900	120

PROJECTED STUDENT ENROLMENT



Source: Ministry of Education final operating grant SD38

MINISTRY FUNDING – WHAT CAN WE EXPECT?

- Funding Model Review recommendations will result in changes to the current Ministry Operating Grant
- Ministry of Education budget will likely not increase due to the overall Provincial economic situation
- We are not anticipating that one-time funding received this year to support us through COVID will continue (Federal and Provincial Safe Return to Class/School funds)
- Minister's Mandate Letter
- Provincial Budget 2021 to be delayed to April ?
- Funding announcement March 18th

KEY BASE BUDGET FACTORS

Revenues

- Ministry of Education funding:
 - Operating Grant revenue adjusted for projected enrolment and per student increases (announced March 18)
 - Assume no change to level of funding overall until funding model is known
 - CEF at same level as 2020/2021
 - Summer Learning will be at same level as 2020/2021
- International Education program revenues
 - 2021/2022 – Student enrolment to recover slowly
 - By 2023/2024 enrolment almost back to pre-pandemic levels
- Rental revenue – will not come back to pre-pandemic level immediately
- Investment Income – projected investment average rate will remain low (currently 1.45%)

KEY BASE BUDGET FACTORS

Salaries

- Teacher salary increments increase of \$500,000 annually
- Additional EA positions – (enrolment growth)
- P/VP & Exempt staff – step increments
- Salary increases for Teacher 2%; CUPE 2%; for 2021/2022
- Sick Leave projected higher
- Custodial staffing levels back to pre-pandemic

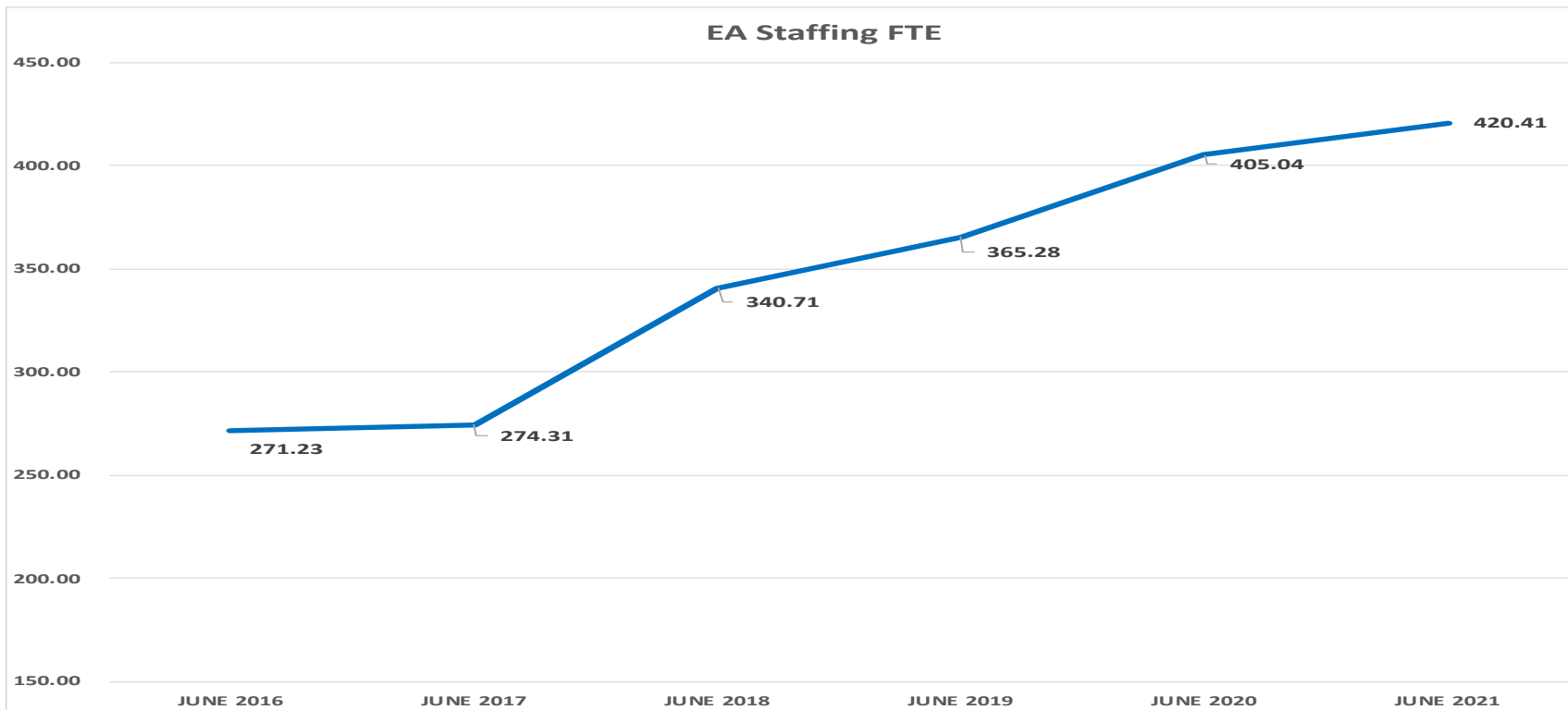
Employee Benefits

- Higher utilization of Extended Health / Dental projected
- Higher rates for all benefits

Services and Supplies

- Inflation /CPI factor on most services & supplies 1-2%?
- Rate Increases for utilities including Electricity, Natural Gas, Water/Sewer, Waste Management; Carbon Tax

GROWTH IN EDUCATION ASSISTANTS



BASE BUDGET BUDGET (FROM PRIOR YEAR)

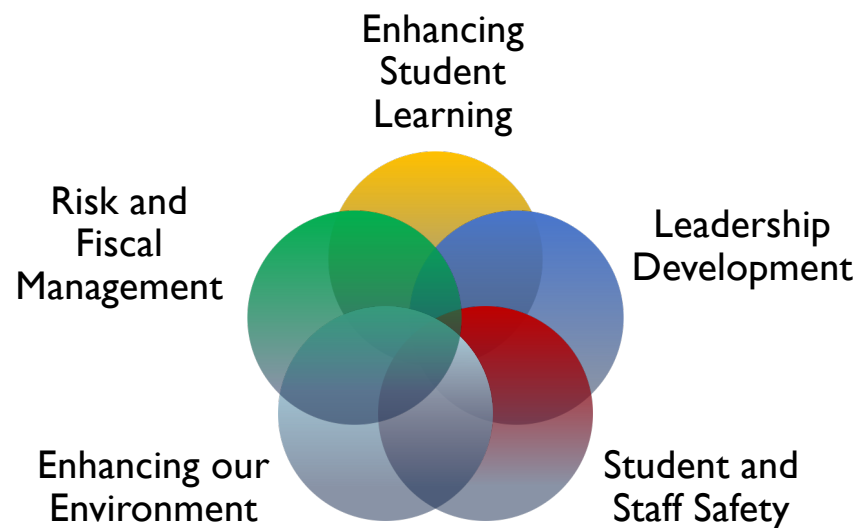
	Amended			
	2019/2020	2020/2021	2021/2022	2022/2023
Revenue				
Ministry Operating Grant	181,362,326	184,983,376	189,370,191	190,934,871
Other Ministry Grants	4,104,638	2,386,210	3,620,540	3,620,540
Other Fees and Revenue	24,971,132	16,281,384	24,147,876	24,285,110
Total Revenue	210,438,096	203,650,970	217,138,607	218,840,521
Expenses:				
Salaries	150,442,992	149,181,650	153,956,997	155,304,214
Benefits	35,104,425	36,840,619	38,951,121	39,757,879
Services and Supplies	21,059,702	20,034,079	21,907,290	22,470,154
Total Expenses	206,607,119	206,056,348	214,815,408	217,532,247
Local Capital	(3,830,977)	(4,000,000)	(4,000,000)	(4,000,000)
Net Surplus (Shortfall)	-	(6,405,378)	(1,676,801)	(2,691,726)
		-3.15%	-0.77%	-1.23%

3 YEAR FUND BALANCE SUMMARY (FROM PRIOR YEAR)

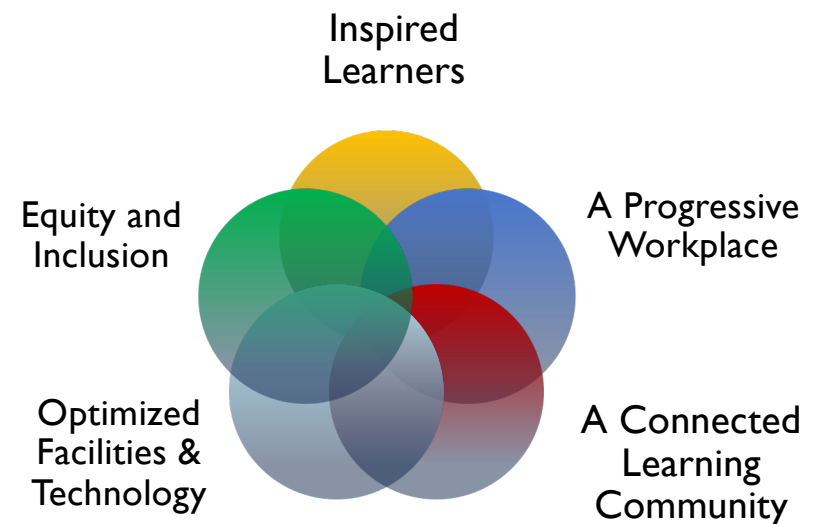
	2019/2020	2020/2021	2021/2022	2022/2023
Fund Balance Beginning of Year	6,600,111	13,424,535	5,716,766	4,692,301
Unrestricted Local Capital Reserve	3,466,506			
2019/2020 Unrestricted Operating Surplus	3,357,918			
Current year Additional Surplus (Shortfall)		(6,405,378)	(1,676,802)	(2,691,726)
Total Funds Available	13,424,535	7,019,157	4,039,964	2,000,575
Proposed Budget Adjust - 2020/21 (on-going / one-time)		(652,337)	(652,337)	(652,337)
Proposed Budget Adjust - 2020/21 (one-time)		1,954,728		
Proposed Budget Adjust - 2021/22 (on-going)				
Proposed Budget Adjust - 2021/22 (one-time)				
Proposed Budget Adjust - 2022/23 (on-going)				
Proposed Budget Adjust - 2022/23 (one-time)				-
Fund Balance End of Year	\$ 13,424,535	\$ 5,716,766	\$ 4,692,301	\$ 2,652,912
COVID Contingency Reserve	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total Fund Balance including COVID Contingency Reserve	\$ 15,424,535	\$ 7,716,766	\$ 6,692,301	\$ 4,652,912
% Net Surplus (Shortfall) before proposed on-going adjustments		-3.0%		
% Net Surplus (Shortfall) after proposed on-going adjustments		-2.7%		
% Fund Balance End of Year		2.7%	2.1%	1.2%
Fund Balance End of Year including COVID Contingency		3.7%	3.1%	2.1%

AREAS OF BUDGET FOCUS

2020/2021



2021/2022



2021/2022 BUDGET ISSUES

- COVID hangover
- Student Enrolment
- Funding levels
- Provincial Budget and economic forecast
- Strategic Plan
- Policy 631
- International Education
- Other Revenues
- Other cost pressures
- Staffing levels, recruitment and retention

QUESTIONS?

RICHMOND
SCHOOL DISTRICT NO. 38

THANK YOU

