

# 21/22 Budget Development Process



**Fiscal 2021/22**

**Education Committee of the Whole Meeting – May 18, 2021**

# Tonight's Agenda

## 1) Setting the Stage

- Bylaw/Principles/Assumptions/Priorities

## 2) Budget Context

- Enrolment Growth/Budget Pressures

## 3) Proposed Plan

- Initial/Residual Options

## 4) Risks

- Enrolment/Pandemic/Salary Differential



# ECOW Documents

## Documents included in the package:

- 1) 21/22 Budget Development Information Note
- 2) Summary of Estimated Pressures and Proposed Savings Options
- 3) Budget Narrative
- 4) Annual Budget Template

#SD62Pride



# Setting the Stage





# Annual Budget Bylaw

## Financial Plan for Student Success

**Learning (\$)**

**Engagement(\$)**

**Growth (\$)**



# Annual Budget Bylaw

## Annual Budget Bylaw (Section 113 of School Act)

- ☐ Operating Fund
- ☐ Capital Fund
- ☐ Special Purpose Fund



# Special Purpose Funds (SPF)

## The District has a number of SPFs:

- ✓ Annual Facility Grant
- ✓ Learning Improvement Fund (support side only)
- ✓ School Generated Funds (SGFs)
- ✓ Strong Start
- ✓ Ready, Set, Learn
- ✓ Official Language Education Program (OLEP)
- ✓ Community Link
- ✓ Classroom Enhancement Fund

**Details: Schedule 3 and 3A**

# Capital Fund

## The District amortizes Tangible Capital Assets

- ☐ Over the useful life of the asset
- ☐ Recognizes the expenditure over the use of the asset and not in Year 1

**Details: Schedule 4**

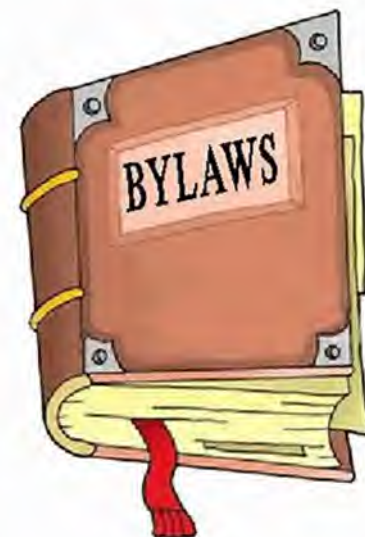




# Annual Budget Bylaw

## What makes up the Annual Budget Bylaw?

- 1) Operating Fund - \$125,092,177
- 2) Capital Fund – \$19,590,650
- 3) Special Purpose Fund - \$9,460,620



# Annual Budget Bylaw

**~~20/21~~ Annual Budget Bylaw:**

**21/22**

**~~\$149,007,559~~**

**\$154,143,447**

**+ 3.45%**



# 21/22 Guiding Principles

**In February, the BoE approved the following Budget Principles:**

- Existing Strategic Plan goals
- Focus on infrastructure during recovery
- Partner input to shape the plan
- Multi-year budget to inform



# 21/22 Assumptions

**In February, the BoE approved the following Budget Assumptions:**

- **MoE's Stage 1 – learning as usual**
- **No Mas – pandemic funding**
- **Funding formula remains the same (FTE)**
- **Domestic enrolment grows as international rebounds**



# 21/22 Budget Priorities

## From all groups:

- ☐ Mental Health/Wellness
- ☐ Early Learning & Intervention
- ☐ Safe & Healthy Learning Environments
- ☐ Resources, Supplies & Equipment





# 21/22 Budget Priorities

## Input from our District's Student Council:

### Mental Health

- Formal and informal connections
- Secondary students feel isolated going 2 hours/day
- Rebuild the opportunities to have deep relationships

### Early Learning

- The earlier, the better
- Build on foundational skills



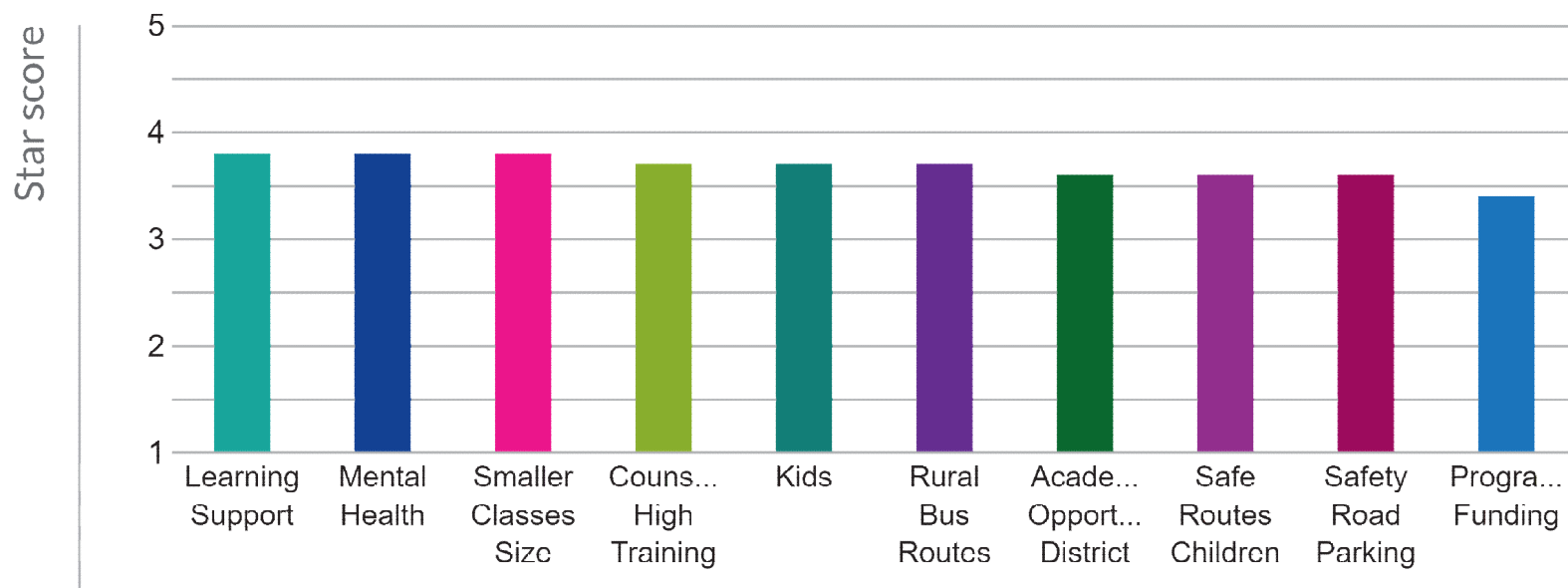
# Thought Exchange - Public

## Staff launched a public Thought Exchange:

- Early March to early April
- 206 participants, 138 thoughts & 4,443 ratings



# Thought Exchange - themes



# BoE's Direction

Once the pressure was identified, the BoE provided further direction:

- Focus on Strategic Plan
- Minimize impacts to students and staff



# 21/22 Budget Approach

## What approach are we proposing to take?

**A time to take a breath.....**

- ☐ Use 21/22 to plan for the next 3 years
- ☐ Ensure alignment with new Strat Plan
- ☐ Allow time for enrolment to bounce back
- ☐ Focus on core priorities & deep review of operations

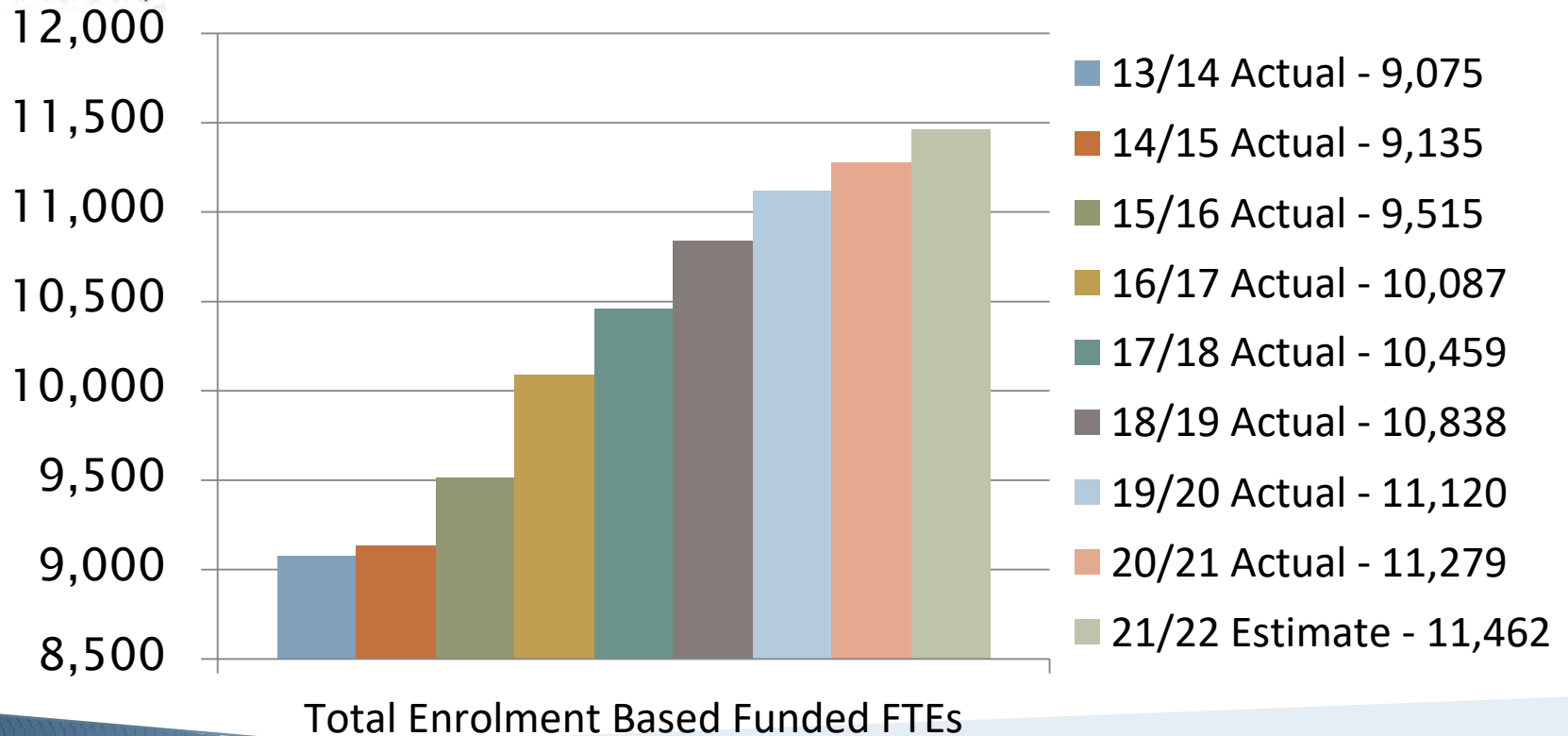




# Budget Context



# Projected Enrolment Growth



# 21/22 Operating Budget

## Updated Pressure Gap

Pressure	Structural	One time	Total
ISP Shortfall		\$.443 m	\$.443 m
Teacher Increments	\$.700 m		\$.700 m
Excluded wages	\$.650 m		\$.650 m
Infrastructure Growth	\$.180 m		\$.180 m
DL/ELL Enrolment Decrease	\$.336 m		\$.336 m
Salary Differential		\$.330 m	\$.330 m
CA Shortfall	\$.259 m		\$.259 m
Teacher Staffing	\$.100 m	\$.175 m	\$.275 m
Rental & School Supplies	\$.042 m		\$.042 m
<b>Total</b>	<b>\$2.267 m</b>	<b>\$.948 m</b>	<b>\$3.215 m</b>

# Proposed Plan



# 21/22 Budget Development Plan

## Based on.....

- ☐ Board approved **Principles and Assumptions**;
- ☐ Staff, partner and stakeholder identified **Priorities**;
- ☐ Input received from the District's **Student Council**; and
- ☐ Desire to **minimize impact** to students & existing staffing

**The Executive have developed the following plan for the Board's review, consideration and debate.....**



# 21/22 Budget Plan

**Total Pressures Identified** (\$3.215 m)

**Initial Options** \$.950 m

Increase enrolment of 25 FTEs (11,136) \$.200 m

20/21 Projected Carryover from Q3 \$.334 m

Financial Reserve Draw down \$1.162 m

**Residual Savings Options to be discussed** \$.569 m

# 21/22 Operating Budget

## Pressure Gap & Initial Options

Pressure	Structural	One time	Total
<b>Total</b>	<b>\$2.267 m</b>	<b>\$.948 m</b>	<b>\$3.215 m</b>
<b>Benefits/Utilities</b>	<b>(\$.600 m)</b>		<b>(\$.600 m)</b>
<b>Exempt Compensation</b>	<b>(\$.350 m)</b>		<b>(\$.350 m)</b>
<b>Increased Enrolment</b>	<b>(\$.200 m)</b>		<b>(\$.200 m)</b>
<b>20/21 Carry Over</b>		<b>(\$.334 m)</b>	<b>(\$.150 m)</b>
<b>Financial Reserve</b>		<b>(\$1.162 m)</b>	<b>(\$1.162 m)</b>
<b>Remaining Pressure</b>	<b>\$1.117 m</b>	<b>(\$.548 m)</b>	<b>\$\$.569 m (.45%)</b>

# 21/22 Operating Budget

## Proposed Options to be presented to the BoE

Pressure	Structural	One time	Total
Remaining Pressure	\$1.117 m	(\$.548 m)	\$.569 m
Teacher Staffing (Mid & Sec)	(\$.100 m)		(\$.100 m)
New Divisions & Projects	(\$.085 m)		(\$.085 m)
School (\$.014) & Dept (\$.040) Supplies	(\$.054 m)		(\$.054 m)
Internal Audit & Bad Debt Expense	(\$.050 m)		(\$.050 m)
Supplemental IES to fund over ratio	(\$.135 m)		(\$.135 m)
PVP time @ secondary (4 blocks)	(\$.050 m)		(\$.050 m)
Engagement Survey & NGN Costs		(\$.095 m)	(\$.095 m)
Residual Pressures	\$.643 m	(\$.643 m)	Nil

## Budget Impacts – Program level

### What are the impacts of this budget plan?

#### Supplemental IES Funding of \$.135 m

- Used to cover portion of over ratio teacher staffing
- EAs, supplies or equipment

#### Teacher staffing of 1.0 FTE

- .4 FTE middle school athletic directors
- .6 FTE @ secondary

#### PVP @ secondary of .5 FTE

- VPs @ Belmont & RBSS to teach one block for a semester

## Budget Impacts – District level

### What are the impacts of this budget plan?

- Financial reserve of \$1.440 m or 1.18% @ June 30, 2022
- Remaining \$.643 m in structural shortfall
- Multi-year budget reflects future pressures looming
- Mid course corrections will be req'd if risks materialize
- 22/23 will need structural changes to be sustainable



# 21/22 Financial Reserve

## Projected Balance based on Draft Plan

Beginning Reserve amount – July 1/20	\$2.602 m
Projected Surplus from 20/21	\$.334 m
Potential 21/22 Draw on Reserve	<u>(\$1.496 m)</u>
Ending Reserve amount – June 30/22	\$1.440 m

**Note: \$1.440 m is 1.15% of the estimated operating budget**

## Alternate Proposals

**If parts of the plan are unacceptable or if additional funding is required in certain areas...**

**Where do we reduce the budget to balance?**



# Risks



## 21/22 Budget Risks

- Domestic and/or international enrolment may be lower
- Continued pandemic impacts
- Salary Differential may be wider than estimated
- Thinned out potential savings in benefits & utilities
- No funding for capital replacement/inflation (status quo)

## Next Steps

- Discussion tonight with partner/stakeholder groups
- Make any necessary changes from tonight's discussion
- 1<sup>st</sup> reading of Annual Budget Bylaw on May 25<sup>th</sup>
- 2<sup>nd</sup> & 3<sup>rd</sup> readings of Annual Budget Bylaw on June 22<sup>nd</sup>



# Thanks!

**Back to the Board Chair to lead the discussion.....**

