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# BUDGET 2020/2021



BUDGET ADVISORY WORKING GROUP

MAY 21 2020

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## AGENDA

- Budget Timelines
- Budget Guiding Principles
- 3-Year Base Budget
- Budget Strategies
- COVID Related Requirements
- Potential List of Budget Adjustments
- Preferred Budget Option
- Questions

## REVISED BUDGET TIMELINES

### March 12

- Ministry of Education announcement of 2020/2021 Operating Grant & CEF Grant
- BAWG Meeting

### April 8 - Trustee Budget Workshop

### April 9 - Stakeholder Budget Meeting

### April 2 - Trustee Budget Workshop

### April 3 - Stakeholder Budget Meeting

### May 13 - Committee of the Whole – input from Stakeholders and Public

### May 21 - Budget Advisory Working Group Meeting

### May 27 - Trustee Budget Workshop (Budget Deliberations)

### June 10 - Board approval of 2020/2021 Annual Budget

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## 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



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## 2020/21 BASE BUDGET – FACTORS AND ASSUMPTIONS

- Assumes that classes will remain partially suspended or modified for the remainder of the school year but restart in September
- All programs back to “normal” for September with classes back in session
- International Education will be operational in September but impacted due to COVID-19
- Other revenues impacted including rentals, investment income and summer session
- Ministry funding announced for 2020/21 will continue to impact future years
- Potential risks to projections and base budget if Pandemic continues into the Fall ie. there is a “Second Wave” or if restrictions continue
- Must comply with additional COVID related requirements contained in the Provincial Health and Safety Guidelines for K-12 Settings (May 15 2020)

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## 3 YEAR BASE BUDGET

	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
<b>Total Revenue</b>	<b>210,438,096</b>	<b>203,650,970</b>	<b>217,138,607</b>	<b>218,840,521</b>
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
<b>Total Expenses</b>	<b>206,607,119</b>	<b>206,056,348</b>	<b>214,815,408</b>	<b>217,532,247</b>
Local Capital	(3,830,977)	(4,000,000)	(4,000,000)	(4,000,000)
<b>Net Surplus (Shortfall)</b>	<b>-</b>	<b>(6,405,378)</b>	<b>(1,676,801)</b>	<b>(2,691,726)</b>
		-3.15%	-0.77%	-1.23%

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## BUDGET STRATEGIES TO CONSIDER

- Stay focused on Budget Guiding Principles and Budget Priorities
- Determine what portion of the shortfall is truly structural vs one-time
- Focus on only essential adjustments to Budget ie. health & safety, maintaining programs and operations
- Use of Surplus Fund Balances available must be considered
- Use of Contingency Reserves in Local Capital but hold some reserves for unknown impacts
- Maximize savings in the current year to generate surplus fund balance
- Weigh Pros and Cons of various budget options looking at short term and long term impacts
- Given many unknowns, extend the budget process with approval targeted for June 10
- Mid-Year Adjustments will likely be necessary given extent of uncertainties
- We will get through this, together

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## COVID RELATED REQUIREMENTS

- Provincial COVID-19 Health & Safety Guidelines for K-12 Setting (May 15 2020)
- Included Public Health Measures, Environmental Measures, Administrative Measures, Personal Measures, PPE
  - District's Health & Safety Plan
  - COVID Enhanced Cleaning and Operating Procedures
  - Other measures
- Enhanced Cleaning prioritized and realignment of existing custodial staffing
- Increased Custodial staffing for every school – Until Health & Safety orders are lifted
- Increase in Cleaning and Sanitizing Supplies – ie. soap, hand towels, hand sanitizer, disinfectant;
- Potentially other costs as we change processes and procedures

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## SUMMARY OF POTENTIAL BUDGET ADJUSTMENTS

	2020/2021 One Time	2020/2021 On Going	2020/2021 Total
<b>Potential Budget Adjustments</b>	<b>3,069,000</b>	<b>289,000</b>	<b>3,358,000</b>
<b>Budget Reductions</b>			
2021 Services and Supplies Inflation	-	390,946	<b>390,946</b>
Unfilled Support Positions On Hold + FB	670,221		<b>670,221</b>
Substitute - Release Time	91,057	22,019	<b>113,076</b>
Services & Supplies	512,993	528,372	<b>1,041,365</b>
<b>Total Reductions</b>	<b>1,274,272</b>	<b>941,337</b>	<b>2,215,609</b>
<b>Net Potential Budget Adjustments</b>	<b>1,794,728</b>	<b>(652,337)</b>	<b>1,142,391</b>



## PREFERRED BUDGET OPTION – BALANCED APPROACH

### Balance of Budget Additions, Reductions and Fund Balances to address our Budget Shortfall

#### Pros

- Plan to address structural shortfall now to ensure long term budget sustainability
- Ensures adequate fund balance levels are maintained
- Begin "resetting" our budget to the new normal
- Softens the blow of a potential one-time shortfall due to unforeseen circumstances by leveraging fund balances
- Prioritizes budget adjustments that will facilitate health, safety and educational/operational continuity
- Gives the school district time to plan and adjust

#### Cons

- Reduction in some staff, resources, services and supplies available to the district/schools; "short term pain"
- If "worst-case scenario" doesn't materialize; reductions will need to be adjusted mid-year
- Extended timeframe to add one-time budget adjustments for new initiatives, service delivery enhancements and investment in aging infrastructure



## PREFERRED BUDGET OPTION (BALANCED APPROACH)

	2019/2020	2020/2021	2021/2022	2022/2023
Fund Balance Beginning of Year	6,600,111	14,358,668	6,810,290	4,385,488
Unrestricted Local Capital Reserve	4,000,000			
Contingency Reserves RIE/Funding Model	2,000,000			
Current year Additional Surplus (Shortfall)	1,758,557	(6,405,378)	(1,676,802)	(2,691,726)
<b>Total Funds Available</b>	<b>14,358,668</b>	<b>7,953,290</b>	<b>5,133,488</b>	<b>1,693,762</b>
<b>Proposed Budget Adjust - 2020/21 (on-going / one-time) *</b>		(652,000)	(652,000)	(652,000)
Proposed Budget Adjust - 2020/21 (one-time) *		1,795,000		
Proposed Budget Adjust - 2021/22 (on-going)			(600,000)	(600,000)
Proposed Budget Adjust - 2021/22 (one-time)			2,000,000	
Proposed Budget Adjust - 2022/23 (one-time)				-
<b>Fund Balance End of Year</b>	<b>\$ 14,358,668</b>	<b>\$ 6,810,290</b>	<b>\$ 4,385,488</b>	<b>\$ 2,945,762</b>
Net Surplus (Shortfall)		-2.74%	-0.19%	-0.65%
		3.2%	2.0%	1.3%

This option proposes that certain on-going and one-time budget adjustments that are essential to maintaining on-going supports for educational services, operations or health and safety will be requested. Any proposed budget adjustments would be offset by savings or reductions to the operating budget. On-going reductions/savings over the next 2 years would reduce the structural shortfall. Net One-time budget adjustments would be covered by available fund balances.



# QUESTIONS?

