BUDGET ADVISORY WORKING GROUP
2020/2021 BUDGET UPDATE

RICHMOND
SCHOOL DISTRICT NO.38

JANUARY 9, 2020

KEY BUDGET DATES

February 12

- Board approval of 2019/2020 Amended Annual Budget
- Preliminary 2020/2021 Base Budget

February 18

- Provincial Government Budget Announcement

March 11

- Preliminary draft budget proposals presented to Board

March 13

- Ministry Announcement of 2020/2021 Preliminary Operating Grant and CEF
- Final 2020/2021 Base Budget

April 8

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

May 13

- Board Approval of 2020/2021 Annual Budget

June 30

- Submission Approved 2020/2021 Annual Budget to Ministry of Education

RICHMOND
SCHOOL DISTRICT NO.38

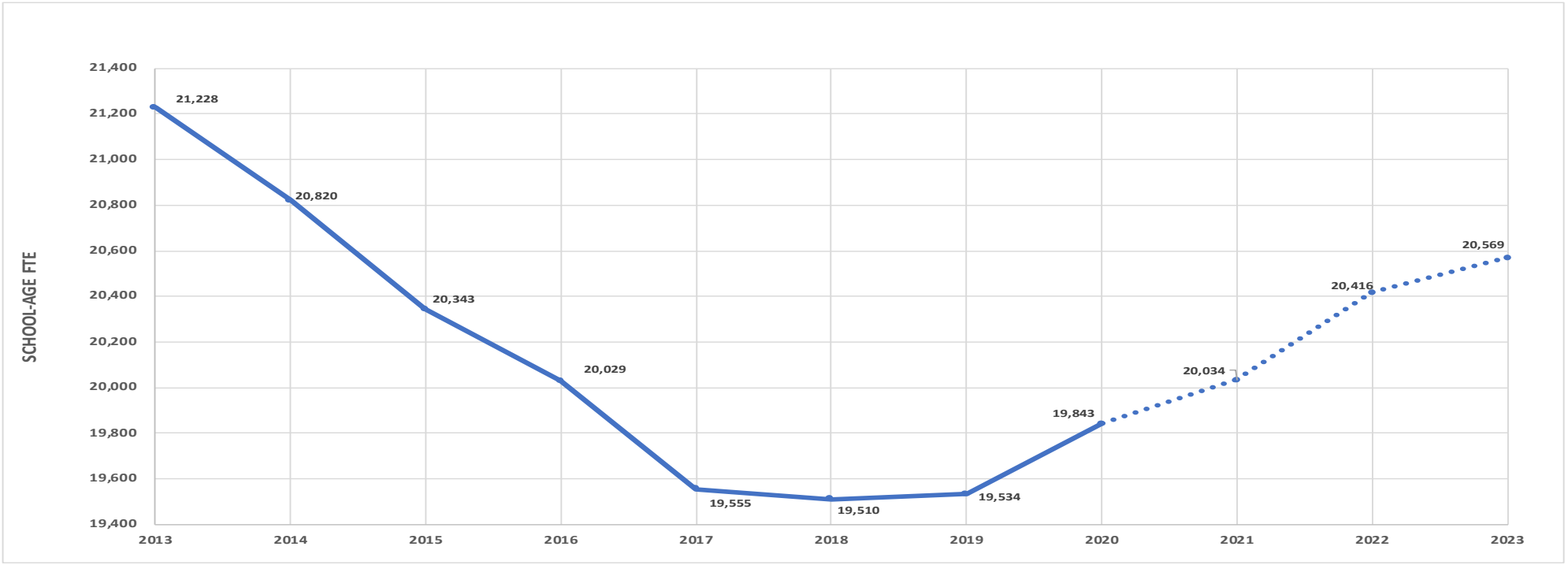
STUDENT ENROLMENT - 2019/2020

	Actual 2018/2019 Total	Projected 2019/2020 Total	Variance 2019/2020 Total	Actual 2019/2020 Total	Variance To Projected Total	Variance To Prior Year Total
	(FTE)	(FTE)	(FTE)	(FTE)	(FTE)	(FTE)
Elementary	**11,302**	**11,402**	100	**11,613**	211	311
Secondary	**7,950**	**7,930**	(20)	**7,848**	(82)	(102)
Continuing Ed - School Age	**46**	**46**	-	**44**	(2)	(2)
Alternate Schools	**86**	**111**	25	**107**	(4)	21
Distributed Learning	**99**	**210**	111	**231**	21	133
Total - School Age	**19,482**	**19,698**	**217**	**19,843**	**144**	**361**
Special Ed - Level 1	**14**	**14**	-	**14**	-	-
Special Ed - Level 2	**660**	**680**	20	**739**	59	79
Special Ed - Level 3	**168**	**169**	1	**167**	(2)	(1)
ELL	**5,667**	**5,667**	-	**5,990**	323	323
Indigenous Education	**245**	**251**	6	**256**	5	11
Adult Education	**172**	**172**	-	**141**	(32)	(32)
Total - Unique Student Needs	**6,926**	**6,953**	**27**	**7,307**	**354**	**381**
Total - Summer Learning (Headcount)	**4,502**	**4,200**	**(302)**	**4,581**	**381**	**79**
International Education	**1,000**	**950**	**(50)**	**950**	-	(50)

3-YEAR PROJECTED STUDENT ENROLMENT

	Actual 2019/2020 Total	Variance To Prior Year Total	Projected 2020/2021 Total	Variance 2020/2021 Total	Projected 2021/2022 Total	Variance 2021/2022 Total	Projected 2022/2023 Total	Variance 2022/2023 Total
	(FTE)	(FTE)	(FTE)	(FTE)	(FTE)	(FTE)	(FTE)	(FTE)
Elementary	**11,613**	311	**11,706**	93	**11,979**	273	**12,100**	121
Secondary	**7,848**	(102)	**7,946**	98	**8,055**	109	**8,087**	32
Continuing Ed - School Age	**44**	(2)	**44**	-	**44**	-	**44**	-
Alternate Schools	**107**	21	**107**	-	**107**	-	**107**	-
Distributed Learning	**231**	133	**231**	-	**231**	-	**231**	-
Total - School Age	**19,843**	**361**	**20,034**	**191**	**20,416**	**382**	**20,569**	**153**
Special Ed - Level 1	**14**	-	**14**	-	**14**	-	**14**	-
Special Ed - Level 2	**739**	79	**779**	40	**809**	30	**829**	20
Special Ed - Level 3	**167**	(1)	**167**	-	**167**	-	**167**	-
ELL	**5,990**	323	**5,990**	-	**5,990**	-	**5,990**	-
Indigenous Education	**256**	11	**256**	-	**256**	-	**256**	-
Adult Education	**141**	(32)	**141**	-	**141**	-	**141**	-
Total - Unique Student Needs	**7,307**	**381**	**7,347**	**40**	**7,377**	**30**	**7,397**	**20**
Total - Summer Learning (Headcount)	**4,581**	79	**4,581**	**-**	**4,581**	**-**	**4,581**	**-**
International Education	**950**	(50)	**950**	**-**	**950**	**-**	**950**	**-**

PROJECTED STUDENT ENROLMENT

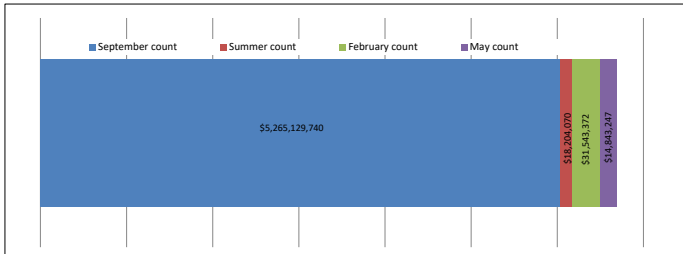


Source: Ministry of Education final operating grant SD38

MINISTRY OPERATING GRANT

Overview of the 2019/20 Operating Grant Allocation Formula

Allocation of the total Operating Block and Enrolment counts (2019/20 estimated as at March 2019)



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

78% allocated through the Basic Allocation

Basic Allocation

Common per student amount for every FTE student enrolled by school type

Standard School: $7,468 per school age FTE	**Continuing Education**: $7,468 per school age FTE
Alternate School: $7,468 per school age FTE	**Distributed Learning:** $6,100 per school age FTE

15% allocated to recognize unique student enrolment

Unique Student

Additional per student funding to address uniqueness of district enrolment and support additional programming

Level 1 Special Needs: $42,200 per student	**Level 2 Special Needs:** $20,200 per student	**Level 3 Special Needs:** $10,250 per student
English/French Language Learning: $1,495 per student	**Aboriginal Education:** $1,450 per student	**Adult Education**: $4,773 per FTE
	Vulnerable Students: in addition to CommunityLINK	

7% allocated to recognize unique district factors

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				

0.1% allocated to buffer the effects of declining enrolment

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 2019/20 School Year

$7,468 – per school-age
$6,100 – DL per school-age

$42,400 – Level 1
$20,200 – Level 2
$ 10,250 – Level 3
$ 1,495 – ELL
$ 1,450 – Indigenous Ed
$ 4,,773 – Adult Ed
$1,412,588 – Vulnerable Students

$2,130,323 – Salary Differential

RICHMOND SCHOOL DISTRICT NO.38

MINISTRY FUNDING MODEL REVIEW

- Independent Review Panel Final Report titled "Improved Equity and Accountability" completed and released to the public on December 19, 2018
- Three main themes: Equity for Students, Accountability and Fiscal Management
- Report contains 22 recommendations
- More time needed for consultation with key stakeholders on themes including inclusive education, DL, adult education, financial management and accountability
- Working Group reports completed Fall 2019
- **School Districts have not seen the new Funding Model and the potential impact to districts**
- Funding announcement March 13th

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MINISTRY OPERATING GRANT

	Enrolment Projected	$/Student	2019/20 Prelim Grant	Enrolment Sept	$/Student	2019/20 Interim Grant	Increase (Decrease)	
Student Base Allocation *	19,442.87	7,468	145,199,356	19,567.56	7,468	146,130,557	931,201	
Continuing Ed School-Age	5.75	7,468	42,941	4.25	7,468	31,739	(11,202)	
Continuing Ed School-Age - Feb/May	39.81	7,468	297,319	39.81	7,468	297,319	-	projected
Distributed Learning Allocation	68.63	6,100	418,613	89.88	6,100	548,238	129,625	
Distributed Learning Feb/May	141.38	6,100	862,388	141.38	6,100	862,388	-	projected
	19,698.43	**5,830**	**146,820,617**	**19,842.88**	**5,851**	**147,870,240**	**1,049,624**	
Homeschoolers	10.00	250	2,500	17.00	250	4,250	1,750	
Course Challenges	38.00	233	8,854	43.00	233	10,019	1,165	
			11,354			**14,269**	**2,915**	
ELL	5,667.00	1,495	8,472,165	5,990.00	1,495	8,955,050	482,885	
Indigenous Education	251.00	1,450	363,950	256.00	1,450	371,200	7,250	
Special Ed - Level 1	14.00	42,400	593,600	14.00	42,400	593,600	-	
Special Ed - Level 2	675.00	20,200	13,635,000	734.00	20,200	14,826,800	1,191,800	
Special Ed - Level 3	169.00	10,250	1,732,250	167.00	10,250	1,711,750	(20,500)	1,171,300
Special Ed Feb Count - Level 2	10.00	10,100	101,000	10.00	10,100	101,000	-	
Vulnerable Students			1,412,588			1,412,588	-	
Adult Education	95.63	4,773	456,418	64.13	4,773	306,070	(150,349)	
Adult Education Feb/May Count	76.75	4,773	366,328	76.75	4,773	366,328	-	projected
Sub-Total Unique Student Needs			**27,133,299**			**28,644,385**	**1,511,087**	
Salary Differential			2,602,998			2,130,323	(472,675)	
Unique Geographic Factors			925,817			925,817	-	
Summer Session			1,225,499			1,389,051	163,552	
Other / Supplement for Ed Plan			388,240			388,240	-	
			5,142,554			**4,833,431**	**(309,123)**	
Total Ministry of Education Funding			**179,107,824**			**181,362,326**	**2,254,502**	

* includes 107 fte Alternate Schools students

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CLASSROOM ENHANCEMENT FUND

	2017/2018		2018/2019		2019/2020		Change	
	FTE	$	FTE	$	FTE	$	FTE	$
Total Teachers	**283.80**	**24,723,438**	**307.5**	**26,998,504**	**321.1**	**29,147,353**	**13.6**	**2,148,849**
Overhead		5,305,000		5,437,899		5,431,002		(6,897)
Remedy		436,677		429,165		343,332		(85,833)
Remedy 2017/18 (Recovered) Restored		(306,200)		400,790		-		(400,790)
Total CEF	**283.80**	**30,158,915**	**307.5**	**33,266,358**	**321.1**	**34,921,687**	**13.6**	**1,655,329**

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CEF OVERHEAD FUNDING

		FTE	$
Staffing			
	Education Assistants	63.0	3,024,000
	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
		77.1	5,258,000
Other			
	Classrom Resources and Furniture		43,200
	Tech Equipment		130,000
			173,200
CEF Overhead - Total		**77.1**	**5,431,200**

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SUMMARY OF KEY BUDGET CHANGES – 2019/2020

Increase / (Decrease) in Revenue			
	Operating Grant Adjustments		$ 2,254,502
Decrease / (Increase) in Expenditures			
	Additional teacher staffing for increased enrolment		$ (1,250,000)
	Lower average teacher salary costs		470,000
	Additional EA staffing for increased SE enrolment		(550,000)
	Next Generation Network (NGN) savings		318,000
	Menstrual Product Implementation		(90,000)
			$ (1,102,000)
Projected Net Surplus			**$ 1,152,502**
Surplus Carryforwards			
	Unrestricted Operating Fund Surplus		$ 6,600,111
	Unrestricted Local Capital Reserve		$ 3,358,947
			$ 9,959,058

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2020/2021 BUDGET DEVELOPMENT WORKING TIMELINES

January - February 2020

- Finalize 2019/2020 Amended Annual Budget
- Develop Draft 2020/2021 Base Budget and 3 Year Budget
- Budget Advisory Working Group – Updates and Input – January 9th and Feburary 13th

Feb - March 2020

- Finalize 2020/2021 and Three-Year Base Budget
- Budget Advisory Working Group – Updates and Input March 12th
- Develop Draft Potential Budget Adjustments
- Gather Stakeholder and Public Input on Budget

April - May 2020

- Finalize list of Potential Budget Adjustments
- Gather Stakeholder and Public Input on Budget
- Board Budget Deliberations
- Board approval of 2020/2021 Annual Budget

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BUDGET PROCESS – 2020/2021

- Encourage stakeholder group participation, input and to share information publicly
- Utilize district web site, public Budget Advisory Working Group, meetings, stakeholder and trustee workshops and Finance & Legal Committee public meetings
- Identify key budget issues including impact of new funding model, staff recruitment and retention, technology, cost pressures, LRFP, and strategic plan
- Discussions with staff regarding possible program/operating efficiencies and savings
- Develop key assumptions and projections to support a three year budget
- Develop budget proposals for Board consideration
- Budget decisions based on approved Guiding Principles

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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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KEY BASE BUDGET FACTORS

- Based on District's projected student enrolment for 2020/21, 2021/22 and 2022/23
- Maintain current service levels and programs
- Meet all staffing and resourcing requirements as per collective agreements
- Include 2020/2021 Ministry of Education Operating Grant announced March 13
- 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

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KEY BASE BUDGET FACTORS

Revenues

- Ministry of Education funding:
  - Operating Grant revenue adjusted for projected enrolment and per student increases
  - Assume no change to level of funding overall until funding model is known
- International Education program revenues
  - 2020/2021 – Student enrolment remaining projected to remain flat
  - 2020/2021 - Student Fee adjusted for increase to MSP costs
- Rental revenue – projected CPI rate increase and increase in other lease revenue
- Investment Income – projected investment average rate increase (currently 2.95%)

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KEY BASE BUDGET FACTORS

Salaries

- Teacher salary increments $500,000 – 2020/21, 2021/22 and 2022/23
- Additional EA positions – (enrolment growth) 2020/21, 2021/22 and 2022/23
- P/VP & Exempt staff – step increments
- Salary increases for Teacher ?; CUPE 2%; P/VP? Exempt?

Employee Benefits

- Employer Health Tax / MSP
- Teacher Pension Plan and Municpal Pension Plan

Services and Supplies

- Inflation /CPI factor on most services & supplies 2-3%?
- Utilities including Electricity, Natural Gas, Water/Sewer, Waste Management; Carbon Tax

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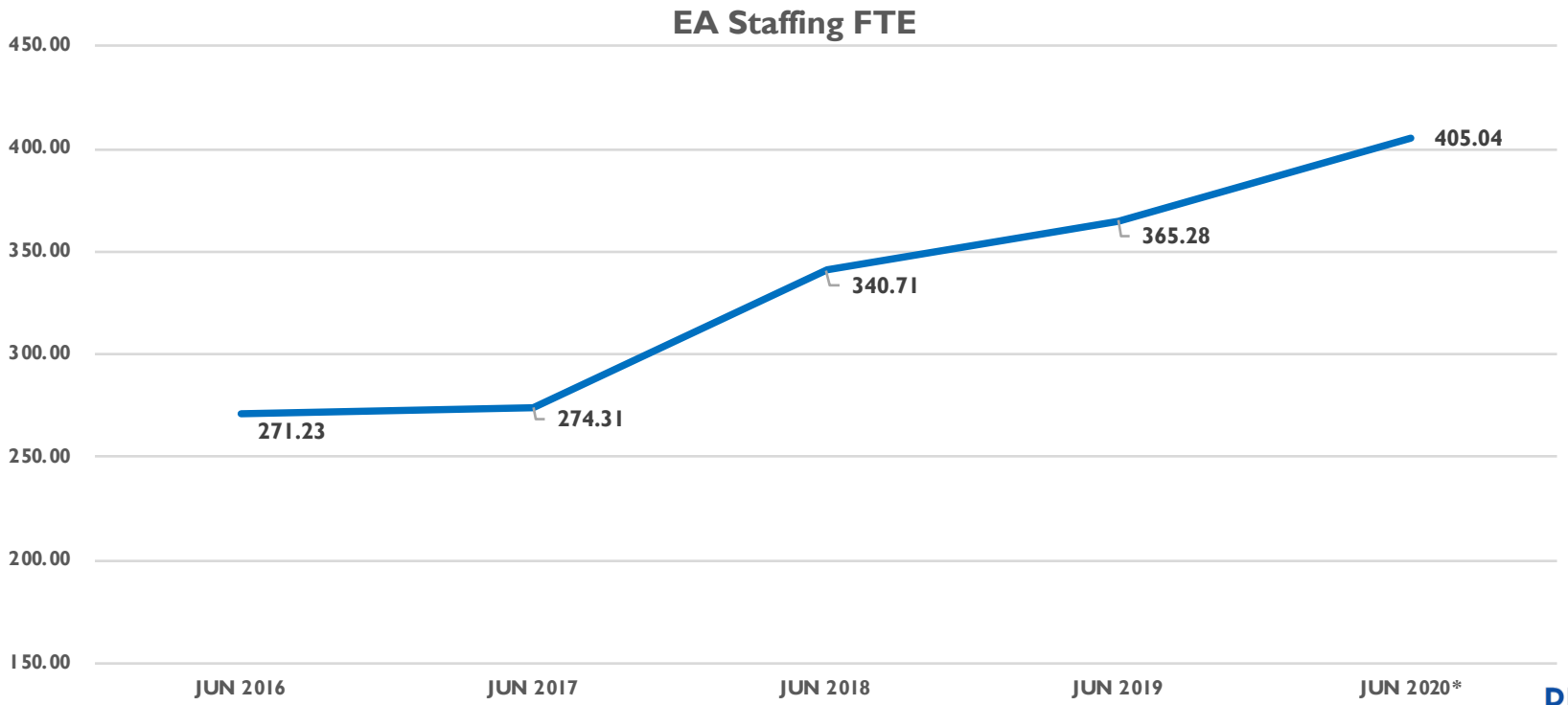
GROWTH IN EDUCATION ASSISTANTS



RICHMOND
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BASE BUDGET BUDGET (FROM PRIOR YEAR)

	Amended 2018/2019	2019/2020	2020/2021	2020/2022
Revenue				
Ministry Operating Grant	175,235,542	179,107,824	179,623,848	181,847,167
Other Ministry Grants	2,778,395	4,144,930	3,779,746	3,805,060
Other Fees and Revenue	23,819,789	24,371,532	24,493,746	25,366,405
Total Revenue	**201,833,726**	**207,624,286**	**207,897,340**	**211,018,632**
Expenses:				
Salaries	141,277,676	145,907,379	147,502,677	149,733,255
Benefits	34,831,525	35,282,367	35,753,296	36,763,709
Services and Supplies	20,724,525	20,622,063	21,060,730	21,553,599
Total Expenses	**196,833,726**	**201,811,809**	**204,316,703**	**208,050,563**
Local Capital	**(5,000,000)**	**(4,000,000)**	**(4,000,000)**	**(4,000,000)**
Net Surplus (Shortfall)	**-**	**1,812,477**	**(419,363)**	**(1,031,931)**

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3 YEAR PROJECTED FUND BALANCE (EXAMPLE ONLY)

	2018/2019	2019/2020	2020/2021	2021/2022
Fund Balance Beginning of Year	7,068,770	9,628,282	4,114,759	2,444,396
Current Year Surplus appropriation not required	1,559,512			
Current Year Additional Surplus	1,000,000	1,812,477	(419,363)	(1,031,931)
Total Funds Available	**9,628,282**	**11,440,759**	**3,695,396**	**1,412,465**
Proposed Budget Adjust - 2019/20 (on-going)		1,251,000	1,251,000	1,251,000
Proposed Budget Adjust - 2019/20 (one-time)		6,075,000		
Proposed Budget Adjust - 2020/21 (on-going)		-	-	-
Proposed Budget Adjust - 2020/21 (one-time)			-	
Proposed Budget Adjust - 2021/22				
Fund Balance End of Year	**$ 9,628,282**	**$ 4,114,759**	**$ 2,444,396**	**$ 161,465**

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LOCAL CAPITAL FUND

Projected Fund Balance at June 30, 2019		**$ 55,356,920**
Local Capital Fund Balance comprised of:		
	Future Capital Projects	32,857,158
	Cook Elementary Capital Project	1,355,000
	Tomsett Elementary Capital Project	3,667,392
	Capital Lease Obligation - Tech Equipment	7,630,214
	Reserved for Green Fund	53,485
	Playground Replacement	540,000
	Various Minor Capital Projects	3,094,724
	Learning Spaces	800,000
	New Funding Model - Contingency	1,000,000
	International Education Program - Contingency	1,000,000
	Total Internally Restricted	**51,997,973**
	Estimated Unrestricted LCR Balance at June 30, 2019	**3,358,947**

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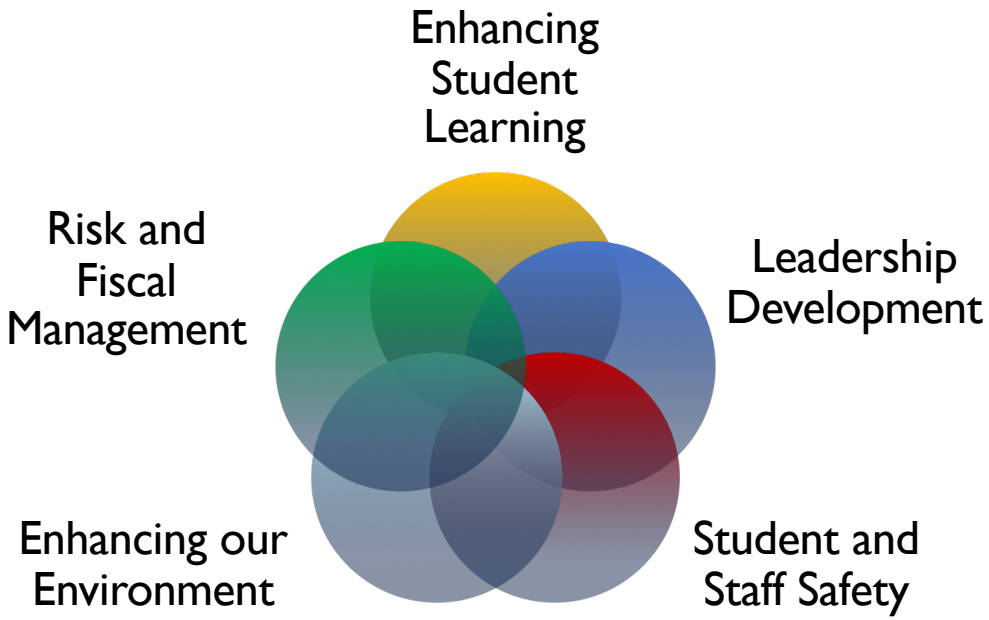
AREAS OF BUDGET FOCUS 2019/2020



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2020/2021 BUDGET ISSUES

- IDENTIFY POTENTIAL BUDGET ISSUES THAT WILL NEED TO BE CONSIDERED FOR THE 2020/2021 BUDGET PROCESS

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QUESTIONS?

THANK YOU

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