
2021/2022 BUDGET

RICHMOND
SCHOOL DISTRICT NO. 38

BUDGET ADVISORY WORKING GROUP
FEBRUARY 11 2021

AGENDA

We acknowledge and thank the First Peoples of the hən̓q̓əmin̓əm̓ language group on whose traditional and unceded territories we teach, learn and live.

- Budget Timelines and Meeting Dates
- Draft Three-Year Base Budget and Projected Fund Balances
- Budget Issues and Budget Strategies
- Breakout Rooms – Budget Discussion (By Group)





KEY BUDGET TIMELINES

February 24

- Board approval of 2020/2021 Amended Annual Budget

March 12

- 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 MEETING DATES

January 14

- BAWG Meeting - Budget Update

February 11

- BAWG Meeting - Draft Three-Year Base Budget and Budget Input

March 11

- BAWG Meeting - Budget Update and Review of Draft Potential Budget Proposals

April 15

- BAWG Meeting

April 28

- Committee of the Whole – Budget Presentations

May 13

- BAWG Meeting –(tentative if required)



3-YEAR BASE BUDGET AND PROJECTED FUND BALANCE



KEY BASE BUDGET FACTORS

Key Assumptions

- **For 2021/22 we are assuming for budget purposes that we will be in Stage I (full return to school)**
- 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
- Adjusted for annualized cost of all on-going prior year budget adjustments and removal of one-time adjustments from the prior year
- Includes projected increases/decreases to "other" revenues
- Includes all known and projected cost pressures on all expenditure categories
- Includes the 2021/2022 Ministry of Education Operating Grant announced March 12th

KEY BASE BUDGET FACTORS

Revenue Factors

- Ministry of Education funding (to be announced March 12):
 - Operating Grant revenue adjusted for projected enrolment
 - No provision for increase to per student amounts and same level of CEF funding as 2020/2021
 - No provision for changes to funding formula
 - Includes funding for labour settlement – Teachers and CUPE
- International Education program revenues
 - Projecting enrolment growth 50 fte, 100 fte and 120 fte over the next 3 years;
 - Projecting increase in gross revenues due to enrolment growth, short term programs and Shenzhen program
 - Assumes most travel restrictions are removed during Fall/Winter 2021
- Rental revenue – projected at 80% of pre-pandemic level for 2021/2022
- Investment Income – projected investment average rate 1.5%, 1.6%, 1.7%
- No one-time COVID relief funding (Provincial/Federal)

KEY BASE BUDGET FACTORS

Salaries

- Teacher salary increments increase of \$500,000 annually
- Additional EA positions – (6 fte for enrolment growth)
- P/VP & Exempt staff – step increments/increase
- Salary increases for Teacher 2%; CUPE 2%; for 2021/2022 (last year of CA)
- Sick Leave and Maternity Leave are projected higher
- Custodial staffing levels back to pre-pandemic

Employee Benefits

- Higher utilization of Extended Health / Dental projected
- Higher rates for most benefits (CPP/EI/Worksafe/Dental/EHB)

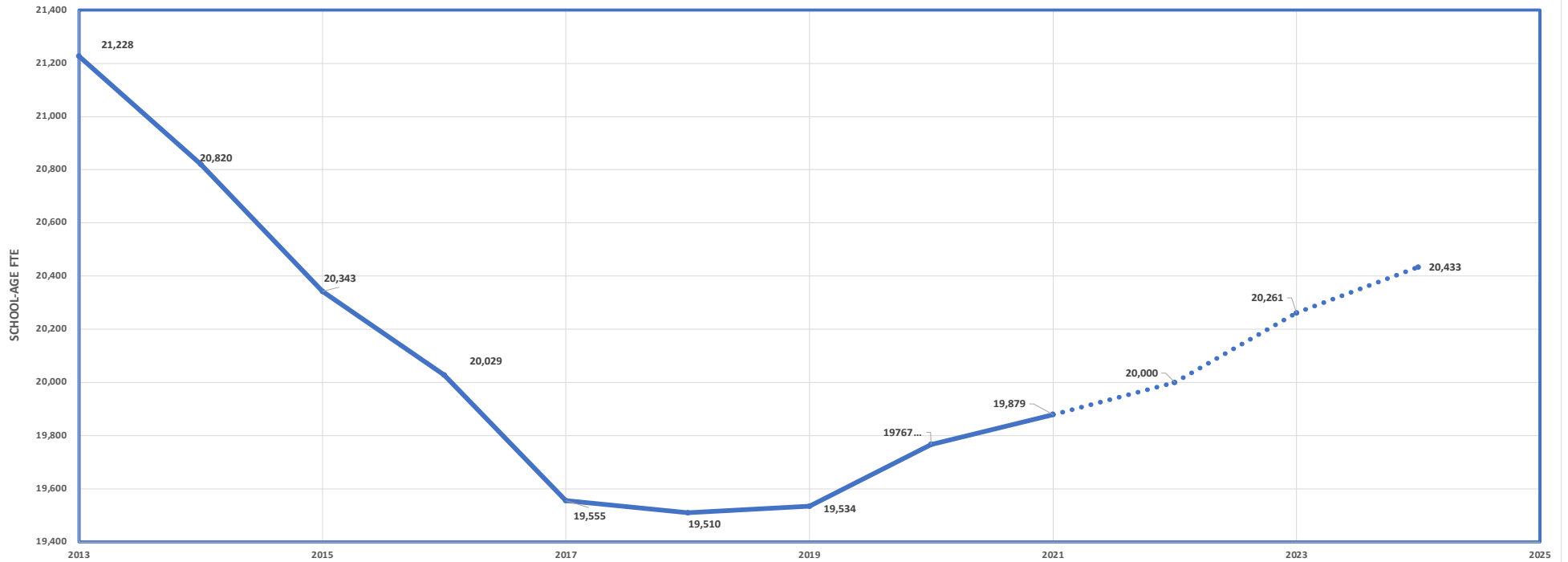
Services and Supplies

- Inflation /CPI factor on most services & supplies 0.6%, 1.2%, 1.8%
- Rate Increases for utilities including Electricity, Natural Gas, Water/Sewer, Waste Management; Carbon Tax

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	20	(25)	20	-	20	-
Alternate Schools	82	82	-	82	-	82	-
Distributed Learning	255	218	(37)	238	20	262	24
Total - School Age	19,879	20,000	121	20,261	261	20,433	172
Special Ed - Level 1	13	13	-	12	(1)	12	-
Special Ed - Level 2	791	830	39	850	20	856	6
Special Ed - Level 3	119	119	-	110	(9)	110	-
ELL	5,995	6,049	54	6,123	74	6,129	6
Indigenous Education	243	249	6	255	6	255	-
Adult Education	102	60	(42)	60	-	60	-
Total - Unique Student Needs	7,263	7,320	57	7,410	90	7,422	12
Total - Summer Learning (Headcount)	4,666	4,666	-	4,666	-	4,666	-
International Education	630	680	50	780	100	900	120

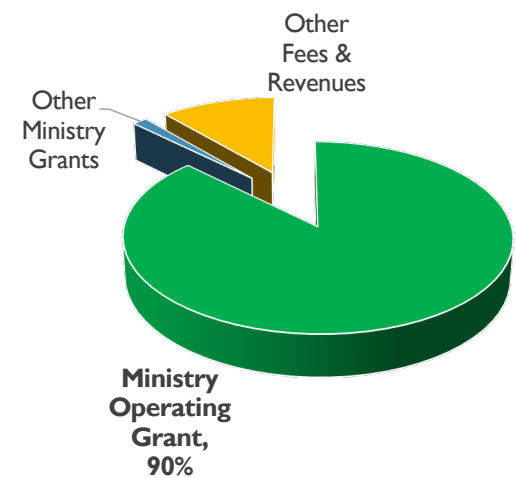
PROJECTED STUDENT ENROLMENT



Source: Ministry of Education final operating grant SD38

MINISTRY OPERATING GRANT

	2021/2022	2020/2021	Change
Student Base Allocation	\$ 150,877,453	\$ 149,913,523	\$ 963,930
Summer School / Other	1,406,984	1,406,984	-
Total Enrolment-Based Funding	152,284,437	151,320,507	963,930
ELL	9,194,480	9,112,400	82,080
Indigenous Education	373,500	364,500	9,000
Special Ed - Level 1	559,000	559,000	-
Special Ed - Level 2	16,932,000	16,034,400	897,600
Special Ed - Level 3	1,225,700	1,225,700	-
Adult Education	290,586	494,358	(203,772)
Equity of Opportunity Supplement	777,599	776,068	1,531
Total Unique Student Needs	\$ 29,352,865	\$ 28,566,426	\$ 786,439
Salary Differential	1,896,697	1,896,697	-
Unique Geographic Factors	1,026,438	1,026,438	-
Supplement for Education Plan	176,955	176,955	-
	\$ 184,737,392	\$ 182,987,023	\$ 1,750,369
Labour Settlement Adjustment *	-	-	-
Totals	\$ 184,737,392	\$ 182,987,023	\$ 1,750,369

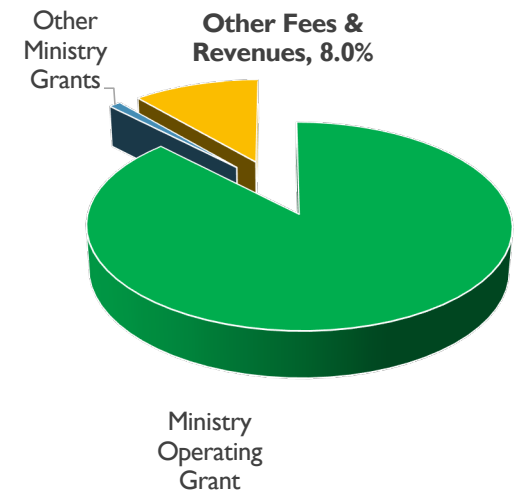


CLASSROOM ENHANCEMENT FUND

	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)

OTHER FEES AND REVENUES

	2021/2022	2020/2021	Difference
International Education	13,169,000	12,921,121	247,879
Continuing Education	989,064	727,229	261,835
Rentals Revenue	1,243,926	946,164	297,762
Investment Income	885,704	865,522	20,182
Summer Session	477,170	240,571	236,599
Other Provincial Grants	353,000	290,400	62,600
Other	852,954	626,058	226,896
Total Other Fees & Revenue	17,970,818	16,617,065	1,353,753



BASE BUDGET BUDGET

	Amended 2020/2021	2021/2022	2022/2023	2023/2024
Revenue				
Ministry Operating Grant	182,987,023	184,737,392	187,075,292	188,477,853
Other Ministry Grants	9,032,503	11,666,700	11,666,700	11,666,700
Other Fees and Revenue	16,617,065	17,970,818	20,305,891	22,523,379
Total Revenue	208,636,591	214,374,910	219,047,883	222,667,932
Expenses:				
Salaries	155,327,355	159,469,607	161,364,387	163,008,017
Benefits	38,838,755	40,345,810	41,304,703	41,724,790
Services and Supplies	17,481,250	19,611,887	19,893,163	20,323,011
Total Expenses	211,647,360	219,427,304	222,562,253	225,055,818
Local Capital	(4,697,000)	(2,500,000)	(2,700,000)	(3,000,000)
Net Surplus (Shortfall)	(7,707,769)	(7,552,394)	(6,214,370)	(5,387,886)
		-3.44%	-2.79%	-2.39%

STRUCTURAL BUDGET SHORTFALL



■ COVID Impact

□ Enrolment Projections

- School-age } \$1.0 million
- Adult }
- International Education \$3.0 million

□ Other Revenues

- Rental Revenues } \$0.6 million
- Investment Income }

■ Ministry Funding

- Funding formula changes } \$2.0 million
- Lower CEF Overhead funding }

■ Cost Pressures

- Salary increments and higher leave costs } \$1.0 million
- Employee benefit cost increases and useage }



■ Enrolment Growth

- Projected growth in each of the next 3 years
- International Education projected to return to pre-pandemic levels by 2023/2024

■ Return to Stage I for September

- Projected recovery of other revenues
- Return to “normal” operations

■ New Strategic Plan

- Budget priorities aligned to 5 Year Plan

■ Accumulated Surpluses and Reserves

3 YEAR FUND BALANCE SUMMARY

	2020/2021	2021/2022	2022/2023	2023/2024
Fund Balance Beginning of Year	3,357,918	7,829,402	277,008	(5,937,362)
Unrestricted Local Capital Reserve	3,471,484			
2020/2021 Unrestricted Operating Surplus	-			
Current year Projected Additional Surplus (Shortfall)	1,000,000	(7,552,394)	(6,214,370)	(5,387,886)
Total Funds Available	7,829,402	277,008	(5,937,362)	(11,325,248)
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)				
Proposed Budget Adjust - 2023/24 (on-going)				
Proposed Budget Adjust - 2023/24 (one-time)				-
Fund Balance End of Year	\$ 7,829,402	\$ 277,008	\$ (5,937,362)	\$ (11,325,248)
COVID Contingency Reserve	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total Fund Balance including COVID Contingency Reserve	\$ 9,829,402	\$ 2,277,008	\$ (3,937,362)	\$ (9,325,248)
% Net Surplus (Shortfall) before proposed on-going adjustments		-3.4%	-2.8%	-2.4%
% Net Surplus (Shortfall) after proposed on-going adjustments		-3.4%	-2.8%	-2.4%
% Fund Balance End of Year		0.1%	-2.6%	-5.0%
Fund Balance End of Year including COVID Contingency		1.0%	-1.7%	-4.1%

3 YEAR FUND BALANCE SUMMARY (IMPACT EXAMPLE)

	2020/2021	2021/2022	2022/2023	2023/2024
Fund Balance Beginning of Year	3,357,918	7,829,402	5,277,008	4,062,638
Unrestricted Local Capital Reserve	3,471,484			
2020/2021 Unrestricted Operating Surplus	-			
Current year Projected Additional Surplus (Shortfall)	1,000,000	(7,552,394)	(6,214,370)	(5,387,886)
Total Funds Available	7,829,402	277,008	(937,362)	(1,325,248)
Proposed Budget Adjust - 2021/22 (on-going)		(4,000,000)	(4,000,000)	(4,000,000)
Proposed Budget Adjust - 2021/22 (one-time)		(1,000,000)		
Proposed Budget Adjust - 2022/23 (on-going)			(1,000,000)	(1,000,000)
Proposed Budget Adjust - 2022/23 (one-time)			-	
Proposed Budget Adjust - 2023/24 (on-going)				-
Proposed Budget Adjust - 2023/24 (one-time)				-
Fund Balance End of Year	\$ 7,829,402	\$ 5,277,008	\$ 4,062,638	\$ 3,674,752
COVID Contingency Reserve	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total Fund Balance including COVID Contingency Reserve	\$ 9,829,402	\$ 7,277,008	\$ 6,062,638	\$ 5,674,752
% Net Surplus (Shortfall) before proposed on-going adjustments		-3.4%	-2.8%	-2.4%
% Net Surplus (Shortfall) after proposed on-going adjustments		-1.6%	-0.5%	-0.2%
% Fund Balance End of Year		2.4%	1.8%	1.6%
Fund Balance End of Year including COVID Contingency		3.3%	2.7%	2.5%

2021/2022 BUDGET ISSUES

- COVID hangover
- Student Enrolment Projections
- Ministry Operating Grant Funding?
- Ministry and Federal One-Time COVID relief funding
- Provincial Budget and economic forecast
- Strategic Plan – budget priorities
- International Education Program Impacts (geo-political, global events etc.)
- Other Revenues
- Other cost pressures
- Staffing levels, recruitment and retention (Teachers, EAs)
- Ageing infrastructure requiring investment – Technology, Vehicles, Equipment, Systems
- Planned carryforward of projected \$9.8 million operating and local capital fund unrestricted surpluses and Policy 63 I

HOW TO BALANCE OUR BUDGET ?



HOW TO BALANCE OUR BUDGET?

FACTS

- 90% of the total operating budget relate to staffing (salary plus benefits)
- \$7.6 million **structural** shortfall represents 3.4% of our total operating budget
- Accumulated Surpluses are one-time funds and cannot be sustained to cover structural shortfalls
- By legislation, School Districts cannot run on a deficit budget

STRATEGIES TO ADDRESS THE STRUCTURAL SHORTFALL

- Staff reductions across all employee groups
- Where possible, minimize the impact on the classroom
- On-going and One-time budget reductions?
- Generate additional revenues?
- Use of accumulated surpluses and reserves to “soften” the impact?
- Spread on-going reductions over multiple years or “take the hit” now?

AREAS OF BUDGET FOCUS

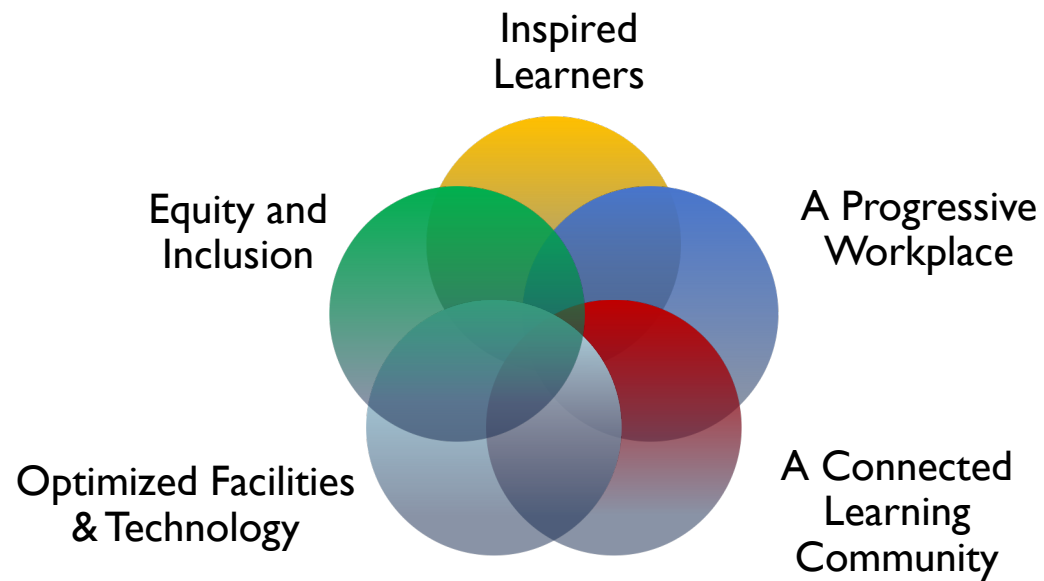


TABLE TALK – BUDGET

Based on our projected 3-Year Base Budget and financial position:

- What strategies and budget adjustments would you recommend to address the projected structural shortfall?
- Prioritize and rationalize your budget recommendations, suggestions and ideas



RICHMOND
SCHOOL DISTRICT NO.38

THANK YOU

