

BUDGET DEVELOPMENT PROCESS 2021-2022

Stakeholder Engagement Guide

January 2021



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Budget Development Process 2021-2022

The budget development process used by the Vancouver School Board lays the foundation for looking at resource allocation from a District perspective, providing equity for schools and creating a cost consciousness, all of which will serve to enhance learning opportunities for Vancouver students. The process is transparent and provides accountability; in that way it contains beliefs, values and guiding principles which address the educational focus of the District and includes extensive engagement with all stakeholders.

This comprehensive strategy to develop the budget for 2021-2022 is based on the following budget priorities:

- Maintaining a focus on student achievement, recognizing the personalized learning needs of students;
- Reflect on responsible stewardship in implementing the objectives of the District's educational, financial and facilities-related plans;
- Respect the District's decision-making culture, encouraging creativity and innovation in meeting the learning needs of specific communities;
- Be sustainable over the longer term while providing the flexibility to address changing short-term needs;
- Focus on equity for all schools and for all students of the District;
- Reflect the specific needs of vulnerable students; and,
- Include engagement with the District's educational leaders and stakeholder groups as well as the opportunities for broader community input.

In developing the budget for 2021-2022 the overall goal is to provide, to the extent possible, the same level of programs and services as provided in 2020-2021. However, the impact of declining enrolment and the financial impacts on revenues and expenses due to the pandemic have to be recognized. The 2019-2020 budget was significantly impacted by COVID-19, resulting in the need to appropriate \$8.9 million of prior years' surplus to balance IT. District staff will create a preliminary draft budget for next year using the current year amended budget as a base and adjusting it for the enrolment decline, remove costs no longer required and add new cost pressures, including those based on assumptions related to pandemic impacts.

The preliminary draft budget process allows stakeholders, through engagement, to comment and provide suggestions on the budget so the Board of Education can consider them prior to adoption of a final budget.

The District is committed to open, clear and transparent engagement. Input received by stakeholder groups will be included in the final budget development engagement report together with that of the broader public's.

VSB Strategic Plan 2021

An organization's budget is its tool for planning the allocation of resources. In order to be effective, the allocation should align with, and support, the organization's objectives and goals. For the Vancouver School Board, the goals and objectives are detailed in the [VSB Strategic Plan 2021](#). The Strategic Plan was developed in consultation with District partners including students, families, staff and stakeholder

groups. It sets out a clear and shared vision for the future of public education in the Vancouver School District. The Strategic Plan will enable the fulfillment of the District's vision and goals and provides direction for future planning.

Our Vision

We inspire student success by providing an innovative, caring and responsive learning environment.

Guiding Principles

Collaboration

We value strong relationships and open communication to promote the sharing of ideas and practice.

Engagement

We encourage and support the use of creative and innovative practices.

Excellence

We strive for excellence in everything we do.

Inclusion

We value and celebrate diversity by supporting the well-being of every individual, creating a sense of belonging.

Transparency

We are open, honest and accountable.

OUR GUIDING PRINCIPLES



Strategic Goals and Objectives

The goals, objectives, priorities and actions of the Strategic Plan follow below:

GOAL 1

Engage our learners through innovative teaching and learning practices.

- a. Provide increased opportunities to connect students to their learning.
- b. Enhance support for students with specific needs.
- c. Support the implementation of the curriculum.
- d. Enhance assessment and reporting strategies to support teaching and learning.
- e. Ensure Indigenous students achieve increased academic success in Vancouver schools and that they participate fully and successfully from kindergarten through the completion of Grade 12.

GOAL 2

Build capacity in our community through strengthening collective leadership.

- a. Support professional networking opportunities and collaborative practices for our staff.
- b. Support professional development opportunities for staff in the implementation of the curriculum.
- c. Enhance and support opportunities for student voice.
- d. Enhance and support opportunities for parental engagement.
- e. Encourage and appreciate the contributions made by our students, families, employee groups and community partners.

GOAL 3

Create a culture of care and shared social responsibility.

- a. Encourage and enhance practices that support cultural, emotional, physical and mental well-being.
- b. Support effective, thoughtful transitions for all students at each stage of their development.
- c. Increase Indigenous students' sense of pride, self-esteem, belonging, place, acceptance and caring in their schools.
- d. Increase knowledge, awareness, appreciation of, and respect for Indigenous histories, traditions, cultures and contributions by all students through eliminating institutional, cultural and individual racism within the Vancouver school district learning communities.
- e. Respect and celebrate all forms of diversity.
- f. Support collaborative relationships with community partners that enhance student learning and well-being.

GOAL 4

Provide effective leadership, governance and stewardship.

- a. Develop and implement a long term financial planning model.
- b. Implement the recommendations of the Long Range Facility Plan.
- c. Effectively utilize school district resources and facilities.
- d. Support effective communication, engagement and community partnerships.
- e. Advocate for public education.
- f. Implement the recommendations of the Sustainability Action Plan.

Key Goals and Objectives

The following two goal areas and specific objectives of the Strategic Plan speak directly to the budget development process.

Goal 2: Build capacity in our community through strengthening collective leadership.

Encourage and appreciate the contributions made by our students, families, employee groups and community partners.

Goal 4: Provide effective leadership, governance and stewardship

Effectively utilize District resources and facilities.

Goal 4 of the Strategic Plan outlines the District's responsibilities regarding stewardship of public funds, and informs the budget process in terms of how resources are allocated.

Engagement with Stakeholders

Goal 2 speaks to the contributions of the District's stakeholder groups in supporting student outcomes and informing the District's budget process through shared leadership with appreciation for the contributions by stakeholder groups. The following stakeholder groups are integral in the process:

- CUPE Local 15
CUPE Local 407
- District Parent Advisory Council
- The International Union of Operating Engineers Local 963
- Professional and Administrative Staff Association
- Trades (various unions)
- Vancouver Association of Secondary School Administrators
- Vancouver District Student Council
- Vancouver Elementary School Teachers' Association
- Vancouver Elementary Principals and Vice Principals Association
- Vancouver Secondary Teachers' Association

District stakeholder groups will be included in the budget development process. Workshops with representatives of these groups take place throughout the budget development process beginning in early January. The information gained at these workshops is shared with trustees and the public at meetings of the Finance Committee.

Feedback and input from parents, guardians, students, and the broader community will be sought through an online engagement process as well as through meetings of the Finance Committee and Committee-of-the-Whole/public Board meetings.

Aligning Budget Planning and Resource Allocation with the Strategic Plan

The Vancouver School District is committed to transparent budget planning and resource allocation that is directly aligned with the strategic vision and goals, established by the Board.

It is an interactive model that coordinates budget planning and resource allocation activities with inclusive stakeholder engagement and feedback based on the vision, goals and objectives. The model includes:

- Articulating VSB 2021 Strategic Plan;
- Providing timely and accurate budget information;
- Receiving budget input and feedback;
- Prioritizing budget requests for the upcoming budget year;
- Allocating available resources to best meet requests that align with the vision, goals and objectives;
- Communicating the outcomes effectively providing transparent accountability.

The model will ensure that budget input and resource allocations are connected to and align with the *VSB Strategic Plan 2021* vision, goals and objectives.



Financial Governance and Accountability

The Board follows the Ministry of Education’s good practices guidelines for financial governance and accountability. These includes:

- Budget monitoring and reporting;
- Accumulated operating surplus policy;
- Financial statement and discussion analysis;
- Capacity building for trustees;
- Separation of the responsibilities of the Audit Committee from the Finance Committee;
- Alignment with the District’s Strategic Plan and vision (VSB 2021 Strategic Plan); and,
- Development of a balanced budget with policy provisions (accumulated surplus) to address unforeseen and emergent issues.



Budget Development Process

The 2021-2022 budget development process is guided by:

- Legislation which stipulates that the District must produce a balanced budget;
- Board Policy 2: Role of the Board;
- The following logistical processes:
 - The development and approval of the 2020-2021 amended annual budget;
 - The development of enrolment projections for the 2021-2022 school year;
 - The Ministry of Education funding announcement;
 - The creation of a status quo budget and the consideration of resource allocation decisions to ensure the budget is balanced;
 - A commitment to stakeholder engagement.

To accomplish this, there must be an understanding of the connection between the guiding principles in the VSB Strategic Plan 2021 and the allocation of resources in the budget. Overall, the process of budget development should be one of excellence, driven by the District's vision to *"inspire student success by providing an innovative, caring and responsive learning environment."*

In terms of process, while productive engagement helps to inform budget development, responsibility for the budget and decision-making regarding it remains with the Board, as outlined in [Policy 2](#) of the Board Policy Handbook.

Budget Assumptions

The Board of Education is committed to being responsible stewards of its resources and making budget decisions which are responsive to the overall District and which support the health and equity of our schools. To emphasize this commitment, the following assumptions will be employed by the District in the development of its annual operating budget

1. The budget shall be developed in accordance with all legal and legislative requirements
2. The wages and salaries paid to teachers and support staff will be the negotiated amount in the respective collective agreements. The Teacher Step Increase is projected to be 1.2 percent.
3. The salaries paid to principals and vice-principals as well as exempt staff will be those currently in place and any lifts permitted by the Public Sector Employers' Council (PSEC). At this time there has not been an increase approved by the Public Sector Employers Council Secretariat for 2021.
4. Services and supplies will be updated based on existing contract terms or a general inflation factor of 1.0 percent.
5. Utilities are projected to increase 3.6 percent .
6. Staffing levels are adjusted to reflect changes in enrolment.
7. Wage and non-wage sensitive employee benefit rates are adjusted as per Canada Revenue Agency (CRA) or Morneau Shepell projections.
8. A reduction of 50 basis points in investment income is projected.

COVID-19 Pandemic

The 2020-2021 school year transitioned from full-time in person teaching to a combination of in-person and remote learning for students. A number of International students who had registered in the District opted to remain in their home country or were impacted by the travel restrictions. The Provincial and Federal governments announced pandemic grants for school districts in September 2020. The District received \$3.6 million from the Provincial Safe Return to School Grant (SR2SG) and \$19.4 million from the Federal Safe Return to Class Fund (SR2CF) to be used for increased health and safety measures as students returned to classrooms. With the announcement of a vaccine and a vaccination plan for Canada, there is still uncertainty as to the impact the pandemic will have on the 2021-2022 budget. There may continue to be additional cost pressures or loss of revenue similar to that experienced in the 2020-2021 fiscal year and it is unknown if additional Provincial and Federal funding will be provided.

Cost Pressures

There are many cost pressures that the District faces each year which are usually not known until after the budget has been approved. In the 2020-2021 budget, the District used \$8.9 million of prior year surplus to balance a status quo budget. It is anticipated that the 2021-2022 status quo will also be in a deficit position, however to what extent is still to be determined. There are some known cost pressures that the District will encounter in the development of the 2021-2022 budget. They are:

- Anti-racism training for staff - \$700,000
- Increase WorkSafe BC premiums - \$700,000

Budget Priorities

The allocation of resources in the budget is determined by developing and analyzing competing priorities. When looking at competing priorities there will need to be an understanding that the allocation of resources to schools, in schools and in central departments will:

- focus on student achievement, recognizing the personalized learning needs of our students;
- reflect responsible stewardship in implementing the objectives of the District's educational, financial and facilities-related plans;
- respect the District's decision-making culture, encouraging creativity and innovation in meeting the learning needs of specific communities;
- be sustainable over the longer term while providing the flexibility to address changing short-term needs;
- focus on equity for all schools and for all students in our schools;
- address the specific needs of our vulnerable students;
- include continual engagement with the District's educational leaders and stakeholders;
- be transparent and easily understood, in terms of methodology

Needs Budget

A Needs Budget Working Group (NBWG) was formed in November 2018 after the Board of Education unanimously passed a motion at the May 28, 2018 public meeting to prepare a Needs Budget.

The [Report presented at the June 2019 meeting](#) provided a summary of the discussion at the NBWG meetings and the list of needs identified. A commitment was made that the work of the NBWG will be used to inform the development of the District's 2021-2022 budget and the development of a three-year financial plan. The development of a three-year financial plan will occur once the new funding formula is in place.

Members of the NBWG comprised of representatives from all District stakeholder groups, and they worked with a focus on equity and advocacy. When asked to provide thoughts on what to include in the Needs Budget, some stakeholders provided specific positions or past reductions for consideration whereas other stakeholders provided general items for consideration. There was also input on areas where stakeholders want the Board to advocate on the District's behalf. All these considerations will be further discussed with stakeholders when District staff meet with them.

Budget Timeline



September 30:
Student enrolment actual count.



January:
Stakeholder Engagement Process –
Invitations to provide input on the
upcoming budget year.



February 15:
District submits an estimate of
next school year FTE student
enrolment to the Ministry of
Education.



February 8 - 19:
Budget Survey open
for input on budget
priorities and
proposals



February 22:
Board adopts an
Amended Annual
Budget for the current
school year.



February/March:
Development of staffing,
school and departmental
budget estimates for next
school year.



March 12:
Ministry releases
preliminary
Operating Grant
Revenue estimates for
upcoming school year.



March 29:
Draft Preliminary Budget and
documented assumptions
presented to the Board and
public for comment.






April 26:
Budget 2021-2022 three readings and
adoption



June 30:
The School Act requires the
Board pass a balanced budget.

Difference between Capital Budgets, Operating Budgets and Special Purpose Funds

The Board has a large and complex budget that has three separate sections:

 <p>Operating Budget</p>	 <p>Capital Budget</p>	 <p>Special Purpose Funds</p>
<p>Instruction Programs Utilities Administration & Operations</p>	<p>Seismic Upgrades Construction of Buildings Fields Infrastructure</p>	<p>Funds provided for a specific purpose.</p>

The main focus of the budget development process primarily considers the operating budget, which is the largest portion of the District’s overall budget.

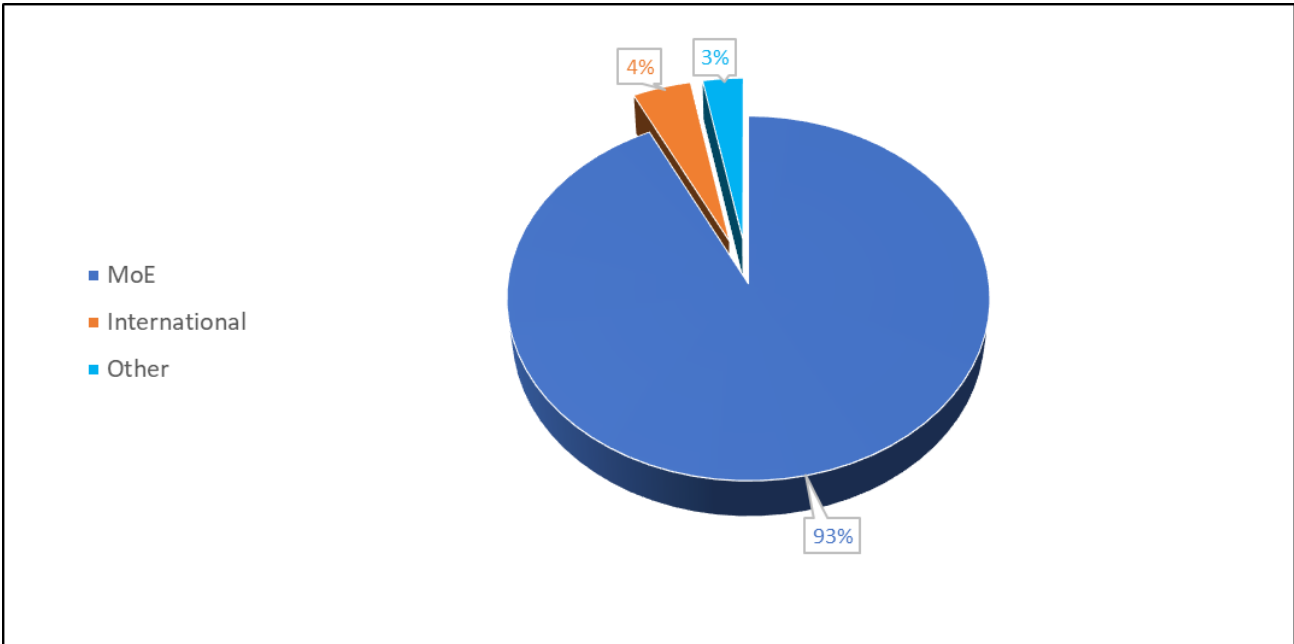
Funds within the capital budget are used for infrastructure upgrades and may not be used for operational budget items.

Special purpose funds are funds received by the District and are designated for specific use. The District receives funds from the Ministry of Education, the Federal government and from other sources designated for particular programs or functions, such as the Annual Facilities Grant, Provincial Resource Programs and CommunityLINK. These funds, similar to capital funds, cannot be used to fund operating budget items.

Composition of a School District's Operating Budget

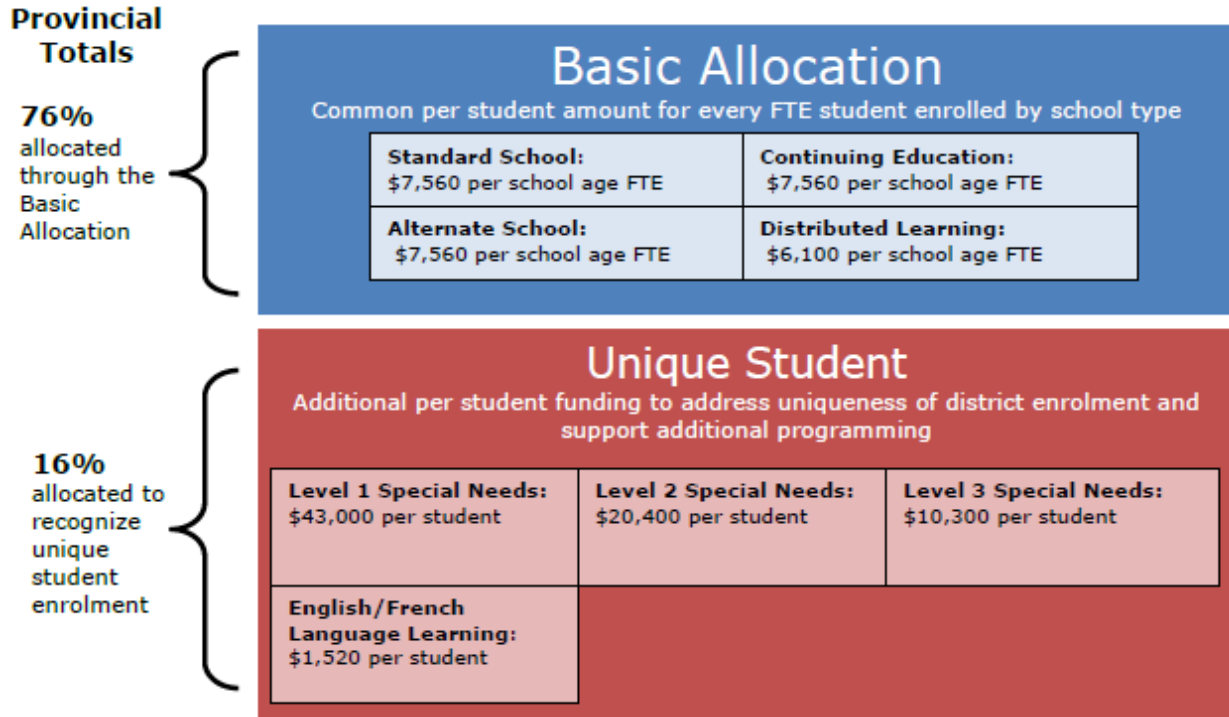
The District's operating budget for 2020-2021 is 519.2 million, with 93 per cent of the funding provided by the Ministry of Education.

VSB Sources of Revenue Budget 2020-2021



Funding

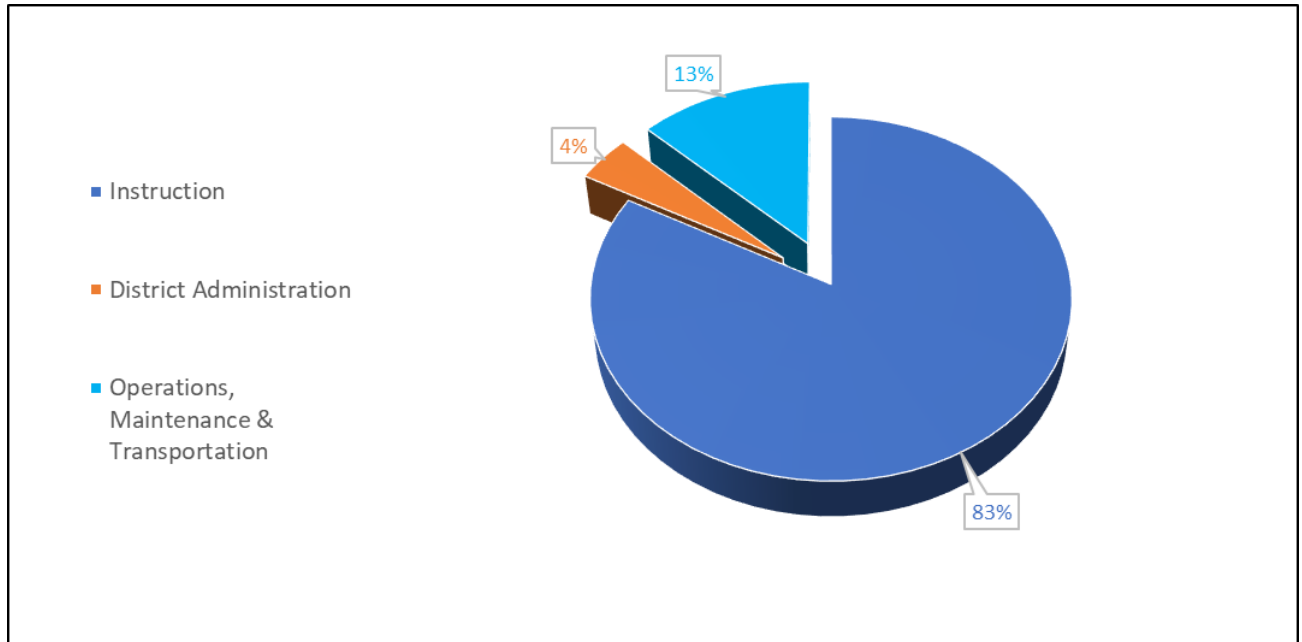
The basic student operating grant allocation for 2020-2021 is \$7,560 per FTE student. VSB, like other school Districts, also receives additional funding for unique student and school factors. The Ministry's current grant allocation formula is as follows:



Annual Operating Expenditures 2020-2021

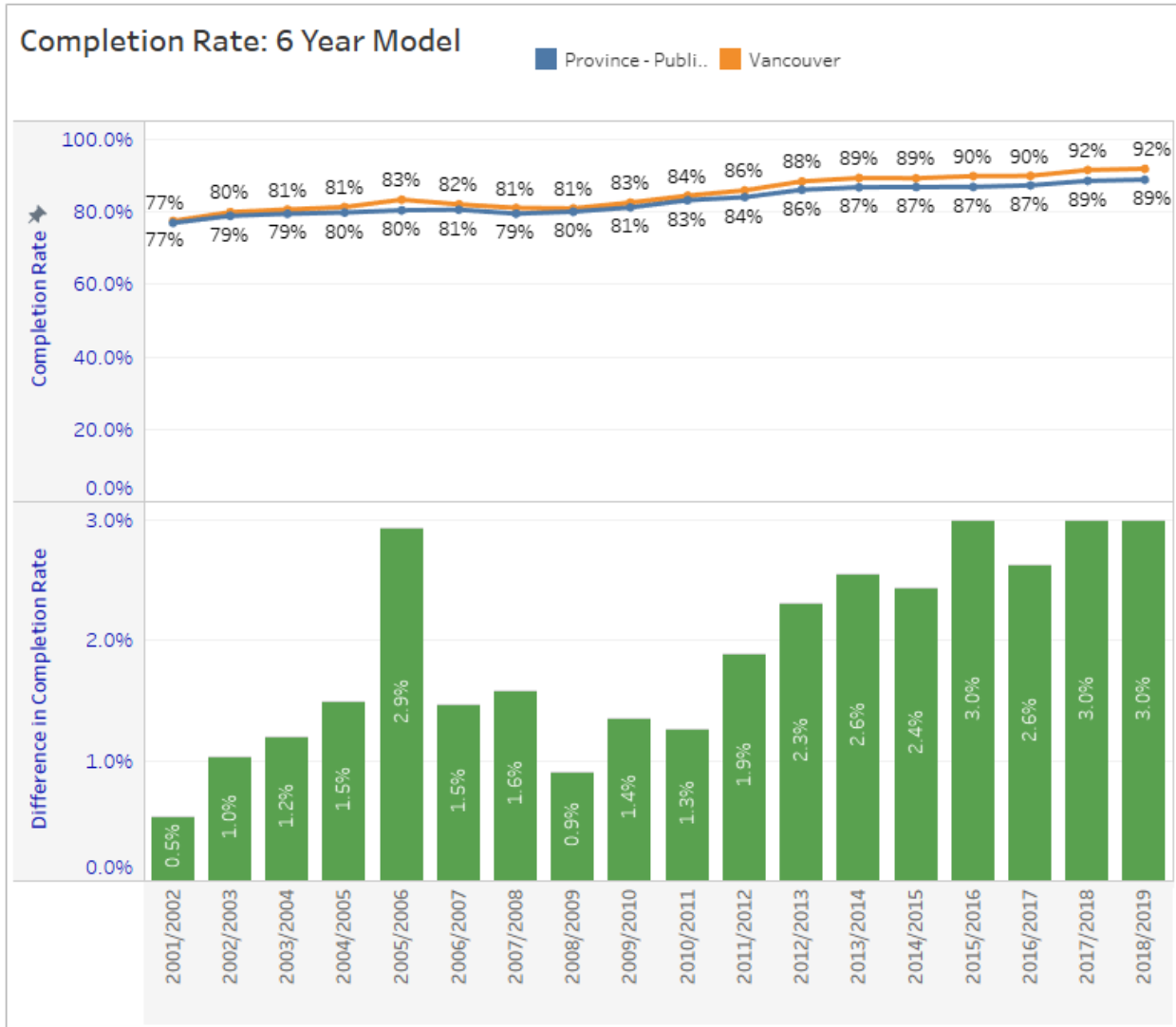
The Board's vision to "inspire student success by providing an innovative, caring and responsive learning environment" is reflected in the proportion of the annual budget dedicated to instruction.

Vancouver School District Operating Expenses Budget 2020-2021



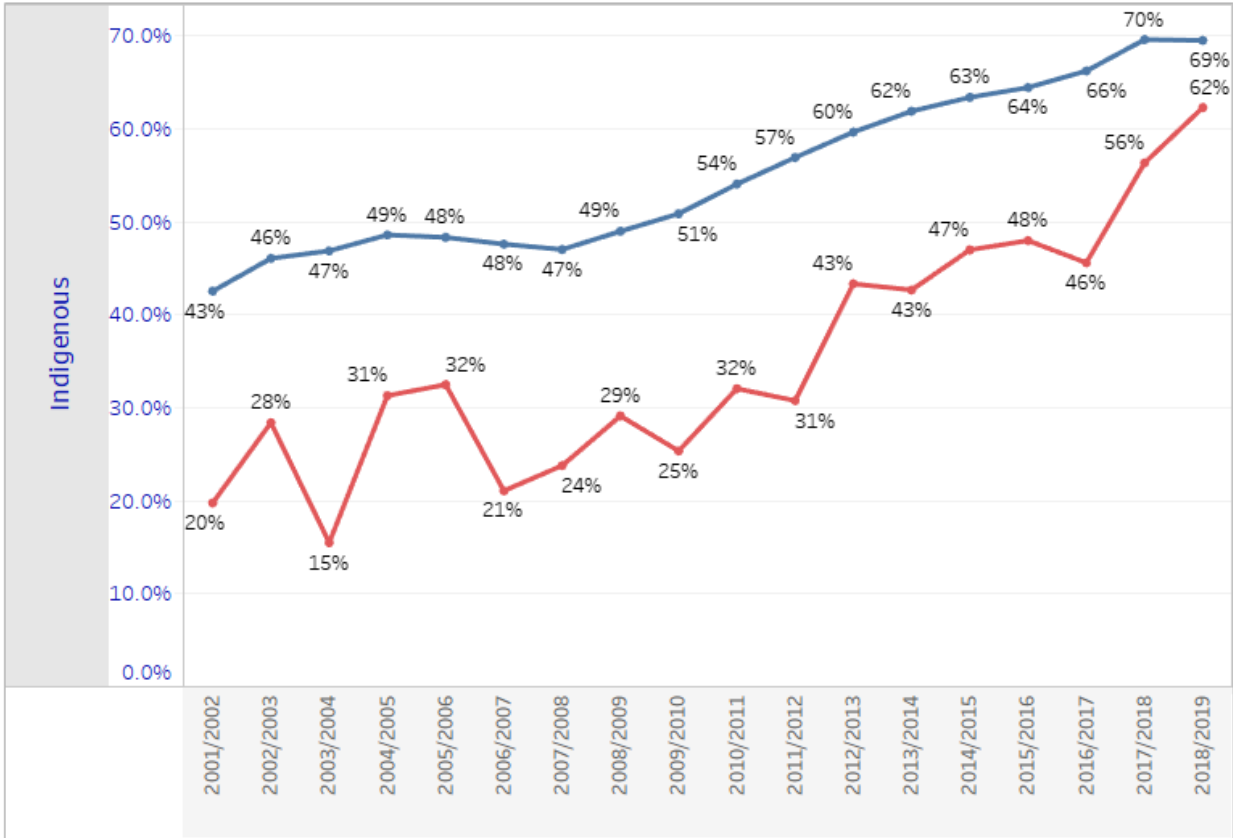
Student Success

The District has had a history of overall student success. The *2018-19 Achievement Levels* released by the Ministry of Education show that the District's student achievement results exceed provincial averages.



There are, however, areas that should continue to be a priority and focus such as outcomes for Indigenous youth. Although the District's achievement continues to trend below the Province, there has been significant improvement as indicated in the following chart:

2018/2019		
6 Year Completion Rate		
	Province - Public Schools	Vancouver
Indigenous	69.5%	62.3%



Stakeholder Engagement Commitment

What is Stakeholder Engagement?

Stakeholder engagement is a two-way dialogue to allow the Board and the District's stakeholder groups to define opportunities and challenges, and consider solutions. It provides for valuable input to the District's direction and decision-making.

The Role of Stakeholders

To make stakeholder engagement a success, your role is to learn, engage and contribute. Start by visiting the VSB Budget page by clicking [here](#) or visit www.vsb.bc.ca to:

- Learn about government funding and allocation;
- Learn about the budget process;
- Learn about the [VSB Strategic Plan 2021](#);
- Engage in the process by asking questions about the budget;
- Share your concerns and input; and,
- Contribute ideas that align with the goals and objectives from *VSB Strategic Plan 2021* on how to address the opportunities and challenges.

The Role of the Board

As the elected decision-making body, the Board is accountable for the provision of appropriate educational services to students. [Policy 2 of the Board Policy Manual](#) outlines the role of the Board, including:

1. Accountability to the Provincial Government

The Board shall:

- 1.1. Act in accordance with all statutory requirements of provincial legislation to implement educational standards and policies.
- 1.2. Perform Board functions required by governing legislation and existing Board policy.

9. Fiscal Accountability

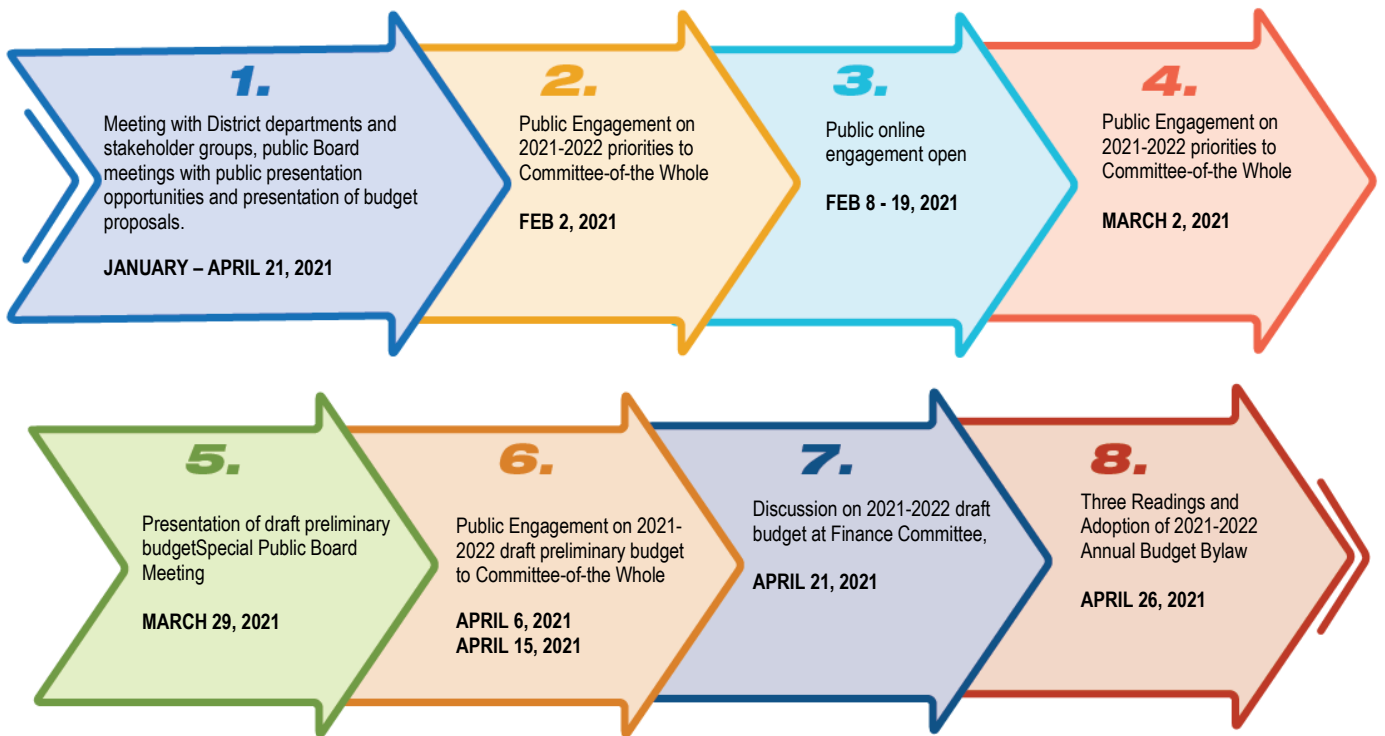
The Board shall:

- 9.1. Approve budget process and timelines at the outset of the budget process.
- 9.2. In collaboration with the Superintendent, identify budget assumptions and draft priorities to be used in the creation of the draft annual operating budget.
- 9.3. Approve the annual budget and allocation of resources to achieve desired results.
- 9.4. Annually approve the District's Five-Year Capital Plan.
- 9.5. Annually approve or reappoint the auditor and approve the terms of engagement.
- 9.6. Review annually the audit report and management letter and approve those recommendations to be implemented.
- 9.7. Make decisions regarding ratification of any memoranda of agreement in local bargaining matters.
- 9.8. Approve the acquisition and disposition of District land and buildings.

- 9.9. Approve the annual spending plan for the annual facilities grant.
- 9.10. Approve the amended annual budget.
- 9.11. Monitor the fiscal management of the District through receipt of quarterly variance analyses and year-end projections.
- 9.12. Approve borrowing for capital expenditures within provincial restrictions.
- 9.13. Approve transfer of funds to/from restricted and non-restricted surplus funds.

Trustees work as a Board to set clear strategic direction and decide on the use of resources in alignment with the Strategic Plan and District goals.

Stakeholder Engagement Process



All public Board and committee meetings are live-streamed and are available to watch at any time. Links to recordings are available on the [calendar](#) section of the District website

Stay Informed

The District uses a variety of methods to keep stakeholders, staff, parents/guardians, students and the broader community informed about the budget process.

School District Website

All information on this process can be found on the District's budget page or click [here](#).

Twitter and Facebook

Budget information and event reminders will also be shared through the District's [Twitter](#) and [Facebook](#) channels.