

Budget 2020-21 Update

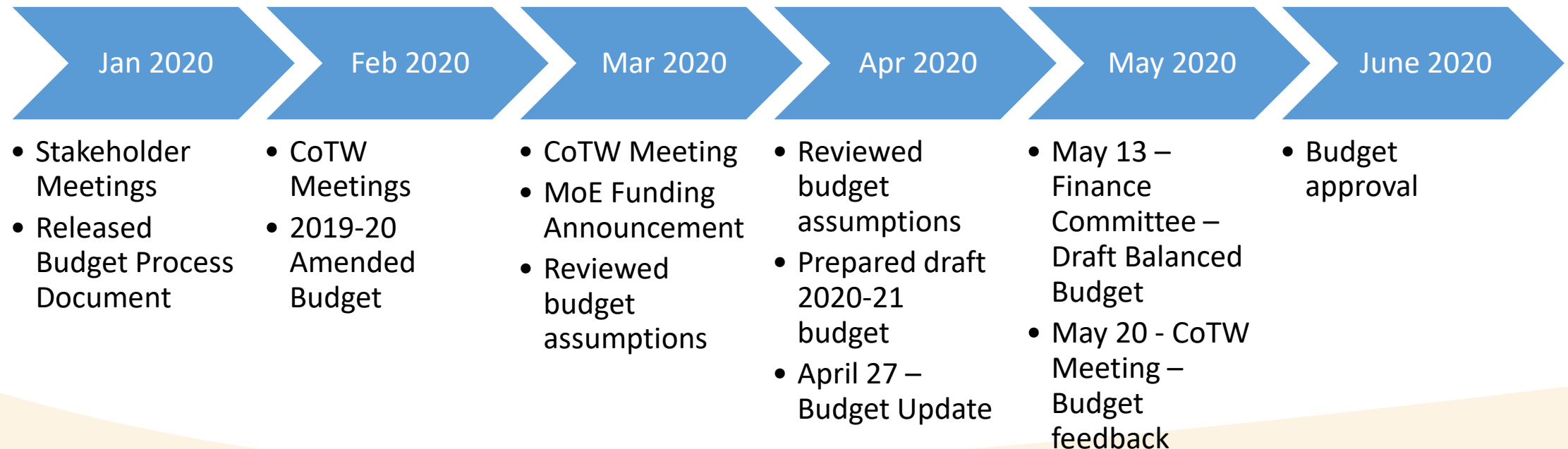


We inspire student success by providing an innovative, caring and responsive learning environment.



April 27, 2020

2020-21 Budget Process (revised timeline)



Funding Announcement – 2020-2021

- Total operating grants to school districts increased to \$5.536 Billion
 - \$4,171.7 M basic allocation grant
 - \$627.0 M supplement for students with special needs
 - \$93.3 M supplement for Indigenous learners
 - \$104.1 M for English Language Learners
 - \$23.0 M Equity of Opportunity Supplement provided for youth in care, children living in low income families and students with mental health challenges
 - \$422.4 M supplement for Unique District Grants
 - Employer Health Tax, Service Improvement Allocation and Carbon Tax Refund rolled into Operating Grant
 - CEF Overhead 11% reduction

Funding Allocation System

- Operating Grants “Inside the Block”
 - Multi-part formula primarily based on student enrolment
 - 76% allocated using a standard per student FTE amount (Basic Allocation)
 - Supplemental funding based on:
 - Unique student needs (includes Special Needs, ELL and Indigenous students)
 - Unique district factors
 - Funding protection/enrolment decline
- Special Grants “Outside the Block”
 - Special grants targeted for specific needs. For example:
 - Classroom Enhancement Fund
 - Learning Improvement Fund
 - CommunityLINK
 - Annual Facilities Grant (AFG)

2020-21 Operating Grant

Provincial Totals

76%

allocated
through the
Basic
Allocation

Basic Allocation

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

Standard School: \$7,560 per school age FTE	Continuing Education: \$7,560 per school age FTE
Alternate School: \$7,560 per school age FTE	Distributed Learning: \$6,100 per school age FTE

2020-21 Operating Grant

16%
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:
\$43,000 per student

Level 2 Special Needs:
\$20,400 per student

Level 3 Special Needs:
\$10,300 per student

**English/French
Language Learning:**
\$1,520 per student

2020-21 Operating Grant

8%
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				

2020-21 Operating Grant

0.2%

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

2020-21 Rate Changes

Supplement	2020/21 Rate Increase	2020/21 Rates
Basic Allocation (excluding Distributed Learning)	92.00	7,560.00
Students with Special Needs – Level 1	600.00	43,000.00
Students with Special Needs – Level 2	200.00	20,400.00
Students with Special Needs – Level 3	50.00	10,300.00
English / French Language Learners	25.00	1,520.00
Indigenous Students	50.00	1,500.00
Non-graduated Adult Education	50.00	4,823.00
Student Location Factor (elementary)	4.47	270.93
Student Location Factor (secondary)	5.93	361.24

2020-21 MoE Funding Analysis

Vancouver School District	
2020/21 Grant Funding Analysis	
2019/20 Operating Grant	456,996,745
Enrolment Changes	(957,545)
Carbon Tax	452,355
Employer Health Tax	3,093,313
CUPE Service Improvement Allocation	667,766
2019/20 Labour Settlement	2,217,970
2020/21 Labour Settlement	2,262,330
Estimated 2020/21 Operating Grant	464,732,934
Announced 2020/21 Operating Grant	462,097,681
Net Operating Funding Surplus / (Deficit)	(2,635,253)
CEF Overhead 2019/20	4,529,730
CEF Overhead 2020/21	4,046,120
Net CEF Overhead Funding Surplus / (Deficit)	(483,610)

Budget 2020-21 Adjustments

	21-Apr-20	6-Apr-20	14-Mar-20	11-Mar-20
Revenue	512.9	513.1	512.9	515.8
Salaries & Benefits	473.7	472.2	476.0	476.6
Services & Supplies	40.7	40.7	41.9	41.5
Total Expenses	514.4	512.9	517.9	518.1
Net Revenue (Expense)	(1.5)	0.2	(5.0)	(2.3)
Net Transfers	(4.9)	(4.9)	(5.1)	(5.1)
Net Revenue (Expense) after Transfers	(6.4)	(4.7)	(10.1)	(7.4)
Prior Year Surplus Appropriation	1.3	1.3	0.8	0.8
Budget Surplus (Deficit)	(5.1)	(3.4)	(9.3)	(6.6)

Adjustments - post Funding Announcement

	14-Mar-20	11-Mar-20
Revenue	512.9	515.8
Salaries & Benefits	476.1	476.6
Services & Supplies	41.9	41.5
Total Expenses	518.0	518.1
Net Revenue (Expense)	(5.1)	(2.3)
Net Transfers	(5.1)	(5.1)
Net Revenue (Expense) after Transfers	(10.2)	(7.4)
Prior Year Surplus	0.8	0.8
Appropriation		
Budget Surplus (Deficit)	(9.4)	(6.6)

- March 11, 2020 – VSB High Level Budget Projection
- Funding announcement March 12, 2020
- Funding \$2.6 million less than projected
- March 14, 2020 – revised High Level Budget post announcement

Adjustments to April 6, 2020

	6-Apr-20	14-Mar-20
Revenue	513.1	512.9
Salaries & Benefits	472.2	476.1
Services & Supplies	40.7	41.9
Total Expenses	512.9	518.0
Net Revenue (Expense)	0.2	(5.1)
Net Transfers	(4.9)	(5.1)
Net Revenue (Expense) after Transfers	(4.7)	(10.2)
Prior Year Surplus	1.3	0.8
Appropriation		
Budget Surplus (Deficit)	(3.4)	(9.4)

- Retirement savings (\$1.6 m)
- SSA shortages (\$1.1 m)
- Vacancy savings (\$0.3 m)
- Remove exempt increase (\$0.7 m)
- Remove CEF overhead shortfall (\$0.5 m)
- SPP premium (\$0.4 m)
- Reduced capital purchases (\$0.4 m)
- Consultant fees (\$0.1 m)
- One-time items funded from surplus (\$0.6 m)
- Inflation adjusted to 0.50% (\$0.3 m)

Adjustments to April 21, 2020

	21-Apr-20	6-Apr-20
Revenue	512.9	513.1
Salaries & Benefits	473.7	472.2
Services & Supplies	40.7	40.7
Total Expenses	514.4	512.9
Net Revenue (Expense)	(1.5)	0.2
Net Transfers	(4.9)	(4.9)
Net Revenue (Expense) after Transfers	(6.4)	(4.7)
Prior Year Surplus	1.3	1.3
Appropriation		
Budget Surplus (Deficit)	(5.1)	(3.4)

- Reduce interest income (\$0.2 m)
- Remove Summer School as it was currently planned (\$1.5 m)

Further Risk Exposures and Assumptions

- International Education student enrolment
 - Currently down 160 FTE to 1,650
 - Projection being worked on for a lower level
- Input revised summer school model
- Rentals and Lease income to be re-evaluated
- Increased technology needs
- Future Employer Benefits Cost – higher due to lower interest rates
- Cleaning costs and supplies

Use of Surplus

- District will be using unrestricted accumulated surplus to balance the 2020-21 budget
- Estimated surplus at June 30th ~ \$12.0 - \$15.0 million

Next steps

- May 13, 2020 – Finance Committee – draft balanced budget to be presented
- May 20, 2020 – Committee of the Whole – feedback on draft budget
- May 25/June 22 – Three readings and adoption of 2020-21 Annual Budget Bylaw

Questions