

VANCOUVER SCHOOL DISTRICT SPECIAL BOARD / COMMITTEE OF THE WHOLE

March 29, 2021

This meeting is being held on the traditional unceded territory of the Musqueam, Squamish and Tsleil-Waututh Nations.



Live Streaming & Recordings

The meeting is being live-streamed and the audio and visual recording will also be available to the public for viewing after the meeting.

The footage of the meeting may be viewed inside and outside of Canada.

Meeting Decorum

It is our Board's responsibility to ensure that our meetings are conducted in a safe and respectful manner.

As a Board of Education for a school district, it is important that we model the behavior that we expect of students in their schools.

Roll Call of Trustees, Staff, and Stakeholder Representatives Present in Teams

ITEM 2

Adoption of Minutes

ITEM 3

Motion to Dissolve into the Committee of the Whole

Annual Budget 2021- 2022 Draft Status Quo

VSB

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

March 29, 2021



Agenda

1. Opening Comments
2. Board and Legislative Requirements
3. Budget Process
4. Ministry Funding Announcement
5. Draft Status Quo 2021-2022 Operating Fund Budget
6. Use of Surplus
7. Risk Factors
8. Next Steps
9. Questions

Opening Comments

- Thank –you
- Guiding Principles
 - Collaboration
 - Engagement
 - Excellence
 - Inclusion
 - Transparency

Board and Legislative Requirements

Policy 2: Role of the Board

“...the Board of Education shall provide overall direction and leadership to the District.

It is accountable for the provision of appropriate educational programs and services to enrolled students of the District to enable their success, in keeping with the requirements of government legislation.

The Board is therefore charged with the responsibility of providing an education system that is organized and operated in the best interests of the students it serves.

It exercises this responsibility through setting of clear strategic direction and the wise use of resources in alignment with the strategic plan and District goals.”

Section 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.”

Legislative Authority

- Sub-section 111(2) of the *School Act* requires a Board of Education to prepare an Annual Budget in the form and containing the content specified by the Minister
- Sub-section 113(1)(a) of the *School Act* directs Boards to adopt, by bylaw, an Annual Budget on or before June 30 for the following school year
- Sub-section 113(3) of the *School Act* requires Boards to send a certified copy of the Annual Budget upon the Minister's request
- The request is in the annual budget instructions

Public Sector Accounting Standards Requirement

- Districts are part of the Government Reporting Entity (GRE)
- Treasury Board in 2010 directed districts to follow the revised Public Sector Accounting Board (PSAB) framework for fiscal years commencing after December 31, 2011
- PSAB Framework requires budgets to include elements of all funds, not just the operating fund.

PSAB Format

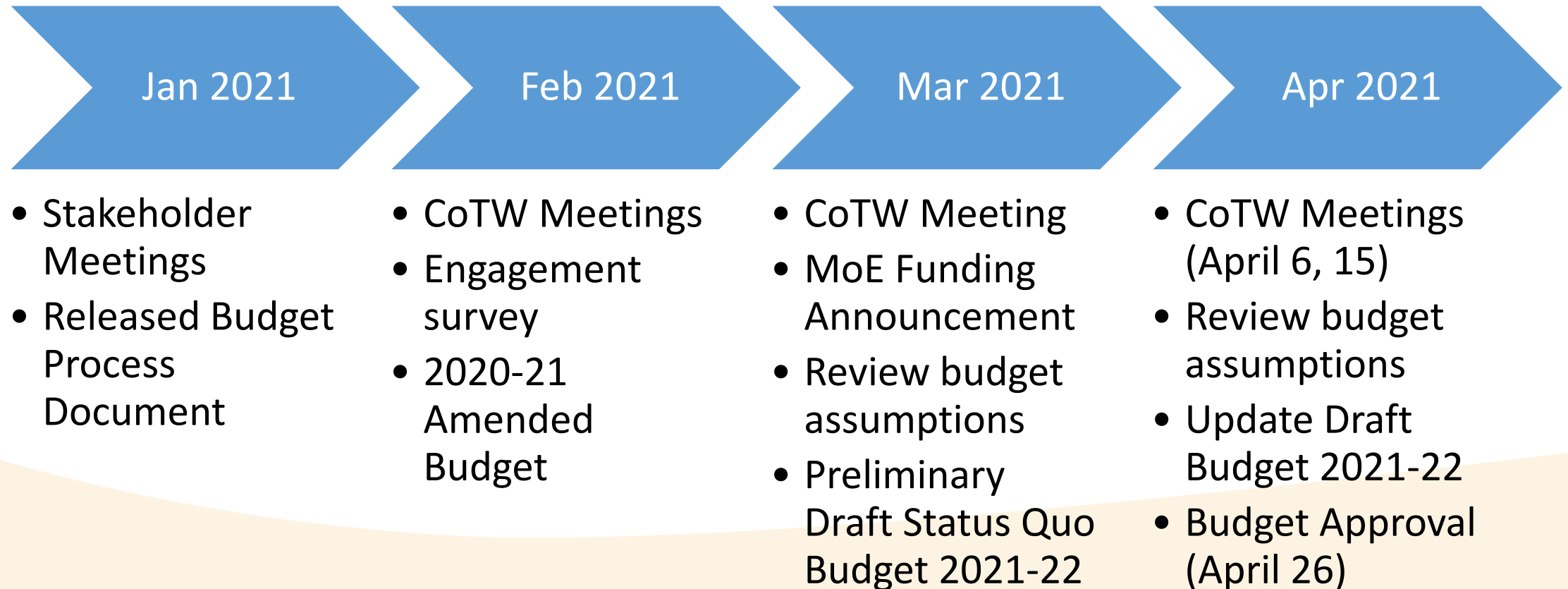
- Statement 2 – Revenue and Expense
- Statement 4 – Changes in Net Financial Assets (Debt)
- Schedule 1 – Changes in Accumulated Surplus (Deficit) by Fund
- **Schedule 2 – Operating Revenue and Expense**
- **Schedule 2A – Schedule of Operating Revenue by Source**
- **Schedule 2B – Schedule of Operating Expense by Object**
- **Schedule 2C – Operating Expense by Function, Program and Object**
- Schedule 3 – Special Purpose Revenue and Expense
- Schedule 3A – Changes in Special Purpose Funds
- Schedule 4 – Capital Revenue and Expense

Budget Process

Balanced Budget Approach

- Meant to support learners through innovation – Goal 1
- Meant to build capacity through collective leadership – Goal 2
- Meant to create culture and social responsibility – Goal 3
- Meant to effectively utilize district resources – Goal 4
- All budget decisions going forward must be made in the context of a balanced position – to add something means to reallocate existing resources or to reduce the need to use surplus means savings must be found.

2021-2022 Budget Process



MoE Funding Announcement

Funding Announcement 2021-2022

- Provincial operating grants to districts increased \$0.260 B to \$5.756 B
 - \$4,399.3 M basic allocation grant
 - \$664.4 M supplement for students with special needs
 - \$95.2 M supplement for Indigenous learners
 - \$106.3 M for English Language Learners
 - \$23.9 M Equity of Opportunity Supplement provided for youth in care, children living in low-income families and students with mental health challenges
 - \$455.1 M supplement for Unique District Grants
 - Labour Settlement Funding rolled into Operating Grant

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
 - Community LINK
 - Annual Facilities Grant (AFG)

2021-2022 Operating Grant Rate Changes

Supplement	2021/22 Rate Increase	2021/22 Rates
Basic Allocation (standard, continuing education and alternate schools)	\$325.00	\$7,885.00
Basic Allocation (Distributed Learning)	\$260.00	\$6,360.00
Students with Special Needs – Level 1	\$1,850.00	\$44,850.00
Students with Special Needs – Level 2	\$880.00	\$21,280.00
Students with Special Needs – Level 3	\$450.00	\$10,750.00
English / French Language Learners	\$65.00	\$1,585.00
Indigenous Education	\$65.00	\$1,565.00
Non-graduated Adult Education	\$207.00	\$5,030.00
Student Location Factor (elementary)	\$11.52	\$282.45
Student Location Factor (secondary)	\$15.36	\$376.60
Small Community Supplement	N/A	N/A
Low Enrolment Factor	N/A	N/A

2021-2022 Operating Grant – Basic Allocation

Provincial Totals

76%
allocated
through the
Basic
Allocation

Basic Allocation

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

Standard School: \$7,885 per school age FTE	Continuing Education: \$7,885 per school age FTE
Alternate School: \$7,885 per school age FTE	Distributed Learning: \$6,360 per school age FTE

2021-2022 Operating Grant – Unique Student Needs

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: \$44,850 per student	Level 2 Special Needs: \$21,280 per student	Level 3 Special Needs: \$10,750 per student
English/French Language Learning: \$1,585 per student	Indigenous Education: \$1,565 per student	Adult Education: \$5,030 per FTE
Equity of Opportunity: Mental health; youth in care		

2021-2022 Operating Grant – Unique District Needs

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				

2021-22 Operating Grant - Other

0.3%

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

Draft Status Quo 2021-2022 Operating Fund Budget

Schedule 2 – Operating Fund Revenue and Expense

- Shows revenue and expense for the Board's operating fund to produce a balanced budget position
- Revenue by major source, including tuition separately
- Expenses are shown by function
- Appropriation of prior year's surplus is permitted as per Section 111 of the *School Act*

Assumptions

Enrolment

- School-aged enrolment projection – 48,535
- International Student enrolment – 1,100
- Modified summer school
- In class learning for all students

Revenue

- No change to rental rates
- Community rentals start September 2021
- Interest rate on CDP dropping 0.50%
- Cafeterias open September 2021

Expenses

- Inflation – 1.00%
- Utilities – 3.60%
- Teacher and Support Staff wage lifts – 2.00%
- No budgeted increase for exempt staff – need PSEC approval
- WorkSafe and Benefit premium increases
- Anti-Racism training costs - \$625,000
- Average Teacher Salary - \$87,000

Schedule 2 – Operating Fund Revenue and Expenses

	2022 Preliminary Draft Budget	2021 Amended Annual Budget	Increase (Decrease)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	489,719,334	482,286,608	7,432,726
Other	62,249	62,249	-
Federal Grants	2,457,164	2,414,888	42,276
Tuition	19,214,007	21,792,177	(2,578,170)
Other Revenue	5,729,513	4,610,408	1,119,105
Rentals and Leases	4,438,931	2,904,384	1,534,547
Investment Income	1,390,136	1,962,779	(572,643)
Total Revenue	523,011,334	516,033,493	6,977,841
Expenses			
Instruction	442,206,717	431,894,403	10,312,314
District Administration	23,268,200	23,213,124	55,076
Operations and Maintenance	63,694,028	64,224,141	(530,113)
Transportation and Housing	3,590,433	2,758,293	832,140
Total Expense	532,759,378	522,089,961	10,669,417
Net Revenue (Expense)	(9,748,044)	(6,056,468)	(3,691,576)
Required Prior Year Surplus Appropriation	14,920,113	12,861,091	2,059,022
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(2,007,924)	(3,674,295)	1,666,371
Capital Leases	(3,164,145)	(3,130,328)	(33,817)
Total Net Transfers	(5,172,069)	(6,804,623)	1,632,554
Budgeted Surplus (Deficit), for the year	-	-	-

Schedule 2A – Operating Fund Revenues

	2022 Preliminary Draft Budget	2021 Amended Annual Budget	Increase (Decrease)
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	480,984,420	458,901,610	22,082,810
Other Ministry of Education Grants	8,734,914	23,384,998	(14,650,084)
Total Provincial Grants - Ministry of Education	489,719,334	482,286,608	7,432,726
Provincial Grants - Other	62,249	62,249	-
Federal Grants	2,457,164	2,414,888	42,276
Tuition			
Summer School Fees	639,375	616,640	22,735
Continuing Education	1,005,632	578,513	427,119
International and Out of Province Students	17,569,000	20,597,024	(3,028,024)
Total Tuition	19,214,007	21,792,177	(2,578,170)
Other Revenues			
Other School District/Education Authorities	1,150,000	1,150,000	-
Instructional Cafeteria	1,080,000		1,080,000
Miscellaneous Fees and Revenue	3,499,513	3,345,908	153,605
Other Grants	-	114,500	(114,500)
Total Other Revenue	5,729,513	4,610,408	1,119,105
Rentals and Leases	4,438,931	2,904,384	1,534,547
Investment Income	1,390,136	1,962,779	(572,643)
Total Operating Revenue	523,011,334	516,033,493	6,977,841

Change in Provincial Grants

	2022 Preliminary Draft Budget	2021 Amended Annual Budget	Increase (Decrease)
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	480,984,420	458,901,610	22,082,810
Other Ministry of Education Grants	8,734,914	23,384,998	(14,650,084)
Pay Equity	7,294,124	7,294,124	-
Funding for Graduated Adults	1,042,090	1,394,088	(351,998)
Student Transportation Fund	53,423	53,423	-
Teachers' Labour Settlement Funding		13,505,685	(13,505,685)
Early Career Mentorship Funding		1,060,000	(1,060,000)
Foundation Skills Assessment	41,621	41,621	-
Dogwood 23		27,000	(27,000)
Early Learning Framework		9,057	(9,057)
Budgeted Increase in Summer School Enrolment	303,656		303,656
Total Provincial Grants - Ministry of Education	489,719,334	482,286,608	7,432,726

Change in Tuition Revenue

International Education	(3,005,288)
Vancouver Learning Network	317,579
Adult Education	109,540
	<hr/>
	(2,578,169)

Schedule 2B – Operating Fund Expenses

	2022 Preliminary Draft Budget	2021 Amended Annual Budget	Increase (Decrease)
Salaries			
Teacher Salaries	239,022,522	235,492,004	3,530,518
Principal and Vice Principal Salaries	26,338,459	26,371,368	(32,909)
Educational Assistant Salaries	43,850,762	41,679,879	2,170,883
Support Salaries	56,815,299	55,103,468	1,711,831
Other Professional Salaries	11,429,384	11,690,338	(260,954)
Substitute Salaries	10,865,224	11,508,029	(642,805)
Total Salaries	388,321,650	381,845,086	6,476,564
Employee Benefits	102,721,313	99,309,223	3,412,090
Total Salaries and Benefits	491,042,963	481,154,309	9,888,654
Services and Supplies			
Services	13,655,091	14,236,197	(581,106)
Student Transportation	3,574,546	2,677,627	896,919
Professional Development and Travel	1,567,958	1,057,750	510,208
Rentals and Leases	645,270	852,232	(206,962)
Dues and Fees	994,802	1,011,635	(16,833)
Insurance	1,021,552	1,073,038	(51,486)
Supplies	11,973,556	11,880,800	92,756
Utilities	8,283,640	8,146,373	137,267
Total Services and Supplies	41,716,415	40,935,652	780,763
Total Operating Expense	532,759,378	522,089,961	10,669,417

Enrolment Change Impact

- School based enrolment increase is projected to be 84 students
- Staffing in draft budget is based on staffing ratios and must be reconciled with school requirements
- Actual staffing is not complete and will change

Change in Salaries

	Wage Increase	Adding Back Vacancies	Enrolment Impact	Summer School	Other	Total
Teacher	1,442,283	587,031	1,073,579	411,572	16,053	3,530,518
Principal and Vice Principal	-	-	-	19,890	(52,799)	(32,909)
Educational Assistant	864,595	-	-	188,215	1,118,073	2,170,883
Support Staff	1,140,003	-	(525)	202,584	369,769	1,711,831
Other Professional	1,594	-	-	(9,129)	(253,419)	(260,954)
Substitute	255,117	-	-	432	(898,354)	(642,805)
	3,703,592	587,031	1,073,054	813,564	299,323	6,476,564

Change in Benefits

Benefit Rate Changes	
CPP/EI/WCB	1,672,187
Extended Health	116,077
Benefit Impact from Salary Increases	603,685
Enrolment and Staffing Impact	654,990
Reinstating Savings due to COVID	365,151
	3,412,090

Change in Services

20/21 Items funded from Restricted Surplus	
Miscellaneous Grants	(46,205)
Energy Projects	(376,883)
IT Projects	(200,000)
Employee Services projects	(583,632)
LRFP Consulting and Data Validation	(198,050)
Increased ISP Commission and Recruiting Compare to 20/21	793,637
Other	30,027
	(581,106)

Change in Student Transportation

Reverse Reduced Spending in 20/21	885,876
SWIS and Other Miscellaneous Grants	11,043
	896,918

Change in Professional Development and Travel

Reverse Reduced Travel in 20/21	203,794
Reverse Reduced School Flex Spending	130,455
Reverse Reduced DMT Pro-D	61,224
Wellness and Other Pro-D (funded by COVID funding in 20/21)	66,954
Reverse Reduced Miscellaneous Grants Spending	44,696
Other	3,085
	510,208

Change in Purchases of Capital Assets

Reverse Purchases Funded by 19/20 Surplus	
IT Projects	(254,451)
Furniture Replacements	(733,813)
North Hamber Enrolment Pressure (Year 1)	(101,000)
Gordon and L'Ecole Building Envelope Projects	(405,000)
Special Education and Special Needs	(109,915)
North Hamber Enrolment Pressure (Year 2)	349,000
One-time Reallocation of Supplies Budget for Furniture & Equipment	(416,369)
Inflation and Other	38,994
	(1,632,554)

Use of Surplus

Use of Surplus

- District will be using unrestricted accumulated surplus to balance the 2021-2022 budget
- Projected deficit is \$14.9 million
- Estimated surplus available is \$10.6 million
- Other savings of \$4.3 million or more will be required.

Projected Surplus available for use

Accumulated Surplus June 30, 2020:

Operations Spanning Future School Years	\$ 14,499,276
Anticipated Unusual Expenses	2,876,397
Nature of Constraints on Funds	3,863,185
Contingency Reserve	5,049,436
Unrestricted Operating Surplus	<u>3,841,394</u>
	30,129,688

Less:

Appropriated Surplus June 2021 Annual Budget	(8,949,210)
Additional spending June 2021 Amended Budget	(5,598,157)
Technology purchases 2021-22	(1,104,610)
Print Shop equipment lease 2021-22	(58,444)
North Hamber enrolment pressure 2021-22	<u>(349,000)</u>
	<u>(16,059,421)</u>

Available Surplus	14,070,267
Projected Surplus 2020-21*	<u>1,686,276</u>
	15,756,543
Restricted portion of surplus	<u>(5,179,435)</u>
Projected unrestricted surplus available June 30, 2021	<u>\$ 10,577,108</u>

* The projected surplus was at January 31, 2021 and may change

Still to be done

- Reconcile student FTE numbers to determine staffing levels
- Review overage in non-enrolling
- Review Admin allocations
- Review costing in central departments
- Look at premium holiday for benefits
- Consider overtime control
- Analyze services and supplies budgets
- Analyze cost structure in the International Student Program
- Analyze operating fund amounts supporting special purpose funds
 - Community LINK
 - Strong Start

Risk Factors

Risks

- Further enrolment decline in the International Student Program would result in a reduction in funding offset partially by a reduction in staffing and departmental costs.
- The average teacher salary cost may be higher than what is projected.
- Students opt for distance learning rather than in-class instruction will decrease the District's revenue due to how distance courses are funded.
- COVID-19 protocols continue – enhanced cleaning, PPE requirements etc. with no funding.

Next Steps

Next Steps

- April 6, 2021 – Committee of the Whole – feedback on draft budget
- April 15, 2021 – Committee of the Whole – feedback on draft budget
- April 21, 2021 – Finance Committee – Budget 2021-22 discussion
- April 26, 2021 – Three readings and adoption of 2021-22 Annual Budget Bylaw

Questions

ITEM 6

Motion to Rise and Report from the Committee of the Whole

ITEM 7

Motion to Reconvene the Board Meeting

ITEM 8

Adjournment

Thank you for your time,

The End