The Board of Education of School District No. 83 (North Okanagan-Shuswap)

2021 - 2022 PRELIMINARY BUDGET DEVELOPMENT SUMMARY

During this year's budget development process, we've continued to find ourselves in an unusual and challenging time; one of uncertainty, unpredictability and change. As we prepare for the financial pressures that lie ahead, we encourage ourselves to focus on our core systems and programs that best meet the needs of our school communities, and to pay particular attention to long-term sustainability and balance, in an effort to manage the impact of external challenges that inevitably lie ahead.

DISTRICT OVERVIEW

School District No. 83 is a growing district that encompasses several distinct communities as well as four First Nations bands, and serves the growing learning needs of approximately 6,500 students. The Board's mission is '*To engage all students in meaningful and relevant learning experiences that develop their knowledge, skills, attitudes, creativity and the pursuit of personal success.'* The District has a strong focus on literacy, numeracy, and social responsibility, and follows an inclusive model with itinerant professionals providing support services to students within their neighborhood schools.

DISTRICT STRATEGIC PLAN

As per the Board's adopted ***Budget Development Guiding Principles*** (Appendix 1), the priorities established within the ***District Strategic Plan*** (Appendix 2) are used as a regular reference point to provide direction and guide all decision-making with respect to the allocation of resources. The Strategic Plan is a key component in the District's commitment to improving the learning and working environment of all students and staff.

BUDGET PROCESS

As per the School Act, one of the primary responsibilities of an elected school board is to pass, by bylaw, a balanced annual budget for each school year on or before June 30 of the year prior. The Minister requires revenues and related expenditures to be tracked in three major categories:

- Operating Funds
- Special Purpose Funds
- Capital Funds

Special Purpose Funds are typically allocated or generated on an annual basis and are provided for very specific purposes or initiatives. The Board has little autonomy on how these funds are spent (e.g. Classroom Enhancement Fund, Annual Facilities Grant, Community LINK, Ready Set Learn and School Generated Funds).

Capital Funds are provided by the Minister in response to the Board's approved 5-Year Capital Plan submission. These funds are allocated specifically for the purchase and long-term maintenance of the district's major capital assets.

Operating Funds are intended to provide for the day-to-day operations of the school district, including instructional programs, school and district administration, facilities operations and maintenance, and transportation. With the exception of targeted Indigenous Education funding, Boards have the autonomy to allocate operational funding as they deem appropriate. Though districts have the ability to generate operating funds locally, through ventures such as facility rental, interest generation and international student programs, the bulk of operating funds are provided by the Ministry.

To advise and assist with the 2021-22 Operational Budget development, the Board accessed its Budget Committee. The committee consists of representation from all partner groups:

- Teachers
- Support staff
- First Nations
- Principals and Vice Principals
- Parents
- District Staff

The purpose of this working group is to provide the Board with representative advice on budget issues and implications of proposed changes, and to allow for an interactive forum for open communication and understanding of the budget.

OPERATING REVENUES

- **Ministry of Education**

  The Board of Education's annual budget process begins each year in February. A three-year student full-time enrolment (FTE) projection summary for the following school year is required to be submitted to Ministry by mid-February.

  Based on these projections and the funding rates established by government, a preliminary summary of operating grants is provided to all districts by mid-March.

  As announced on March 12, 2021, the Ministry of Education's Operating Grant block funding rates will change as follows:

2021-22 Ministry of Education Estimated Operating Grants

Government is providing an additional $260 million in operating grants to school districts in 2021/22 for a total of $5.756 billion.

The ministry is increasing the basic per-student allocation for standard, alternate and continuing education schools rate by 4.3% this year.

Other changes include:
- an additional $37.3 million for special needs, a 6% increase
- an additional $4.26 million in the Indigenous Education Supplemen, a 4.7% increase
- an additional $4.48 million for English and French Language Learners (ELL/FLL), a 4.4% increase

Funding Supplement	2019/20 Rate	% increase fr prior yr	2020/21 Rate	% increase fr prior yr	2020/22 Rate	% increase fr prior yr
Basic Allocation	7,468	0.66%	7,560	1.22%	7,885	4.30%
Basic Allocation (Distributed Learning)	6,100	0.00%	6,100	0.00%	6,360	4.26%
Special Needs – Level 1	42,400	8.49%	43,000	1.40%	44,850	4.30%
Special Needs – Level 2	20,200	3.96%	20,400	0.98%	21,280	4.31%
Special Needs – Level 3	10,250	4.39%	10,300	0.49%	10,750	4.37%
English Language Learning	1,495	5.02%	1,520	1.64%	1,585	4.28%
Indigenous Students	1,450	15.17%	1,500	3.33%	1,565	4.33%
Non-Graduated Adult Education	4,773	1.61%	4,823	1.04%	5,030	4.29%
Student Location Factor (elementary)	266	2.61%	271	1.65%	282	4.25%
Student Location Factor (secondary)	355	2.61%	361	1.65%	377	4.25%

The resulting effects of these per student rate changes along with our projected increase in student enrolment of 112.935 full time equivalent (FTE) students, combined with other Ministry of Education grant allocation changes for 2021-22 are as follows:

SD 83 2021 -2022 MINISTRY OPERATING GRANTS SUMMARY

FUNDING SOURCE	2020-2021 Interim	2021-2022 Preliminary	Change from 20-21 Interim
FTE September Enrolment	6,425.0650	6,538.0000	112.9350
Enrollment Based Funding			
school age - reg	47,878,898	50,053,980	2,175,082
continuing education			-
school age - alt	241,920	315,400	73,480
dist learn	365,238	954,000	588,762
home school	4,500	4,500	-
course challenge	4,248	4,428	180
sub-total	**48,494,804**	**51,332,308**	**2,837,504**
Special Education			
level 1	258,000	358,800	100,800
level 2	7,956,000	9,192,960	1,236,960
level 3	1,503,800	1,698,500	194,700
sub-total	**9,717,800**	**11,250,260**	**1,532,460**
Distance Ed Enrollment Based			
July (Summer Learning)	4,300	4,480	180
Feb	164,700	171,720	7,020
May	99,633	103,880	4,247
sub-total	**268,633**	**280,080**	**11,447**
Special Needs Growth	194,200	202,600	8,400
Equity of Opportunity	236,395	245,536	9,141
English Language Learning	66,880	77,665	10,785
Indigenous Education	1,792,500	1,878,000	85,500
Adult Education	2,412	2,515	103
Salary Differential	681,802	693,786	11,984
Unique Geographical Factor	9,189,107	9,675,568	486,461
Curriculum and Learning Support Fund	57,880	57,826	(54)
TOTAL	**70,702,413**	**75,696,144**	**4,993,731**

Other Grants	2020-2021 Interim	2021-2022 Preliminary	Change from 20-21 Interim
Teacher Labour Settlement Funding	1,767,813	-	(1,767,813)
2019 Support Staff Standardization Grant	50,091	53,598	3,507
TOTAL	**1,817,904**	**53,598**	**(1,764,306)**
		NET GAIN/(LOSS)	3,229,425

Labour settlement funding for teachers has been rolled into block funding for 2021-22. The over-all impact of all funding changes will result in an expected increase of $3,229,425 in funding from the Ministry of Education for 2021-22.

- **Provincial Grants – Other**

  Industry Training Authority (ITA) funding is projected to increase by $43,000 as enrolment in dual credit and exploratory trades programs is expected to increase as we anticipate a return to "post COVID normal." An additional Pacific Sport Grant has been confirmed for 2021-22. These anticipated increases result in an over-all increase of $118,725 in other provincial grants.

- **Other Fees and Revenue**

  International Student enrolment is expected to increase in 2021-22 resulting in an expected increase in revenue of $151,900.

- **Rentals and Leases**

  Rental agreements for school district facilities are expected to increase to pre-COVID norms resulting in an increase of $33,000 in rental revenue for 2021-22.

The total over-all anticipated operating revenue increase for 2021-22 is estimated at **$3,533,050** as follows:

FUNDING SOURCE	2020-21 Interim	2021-22 Preliminary	Change from 20-21 Interim
Ministry of Education			
Block Funding (Less LEA Recovery)	69,655,167	74,648,898	4,993,731
Other Grants	3,214,340	1,450,034	(1,764,306)
Provincial Grants - Other	127,950	246,675	118,725
Other Fees and Revenue	1,129,646	1,281,546	151,900
Rentals and Leases	72,000	105,000	33,000
Investment Income	85,000	85,000	-
	74,284,103	77,817,153	3,533,050

COST PRESSURES/ANTICIPATED SAVINGS

Each year, the district initiates its budget discussions with a review of unavoidable costs pressures and anticipated savings. Expected changes for 2021-22 are as follows:

- **Benefit Premiums**

  Based on the annual renewal rates provided by the district's benefit plan administrators, combined with known or anticipated changes to pension contribution rates, WSBC premium rates and/or statutory benefits rates, our Director of Finance conducts an in-depth analysis in order to estimate possible budgetary impacts for benefit provisions for the subsequent year. Based on this analysis, it is expected over-all benefit costs, for all employee groups, to increase by $442,000 for 2021-22.

- **Wage/Compensation Improvements**

  - **Teachers –** expected costs for the negotiated 2% wage increase for all teaching staff effective July 1, 2021, based on 2020-21 staffing levels, is estimated at $640,020.

  - **CUPE –** expected costs for the negotiated 2% wage increase for all support staff employees effective July 1, 2021, based on 2020-21 staffing levels, is estimated at $290,140.

  - **Principals and Vice Principals –** expected costs for a 2% general wage increase for all principals and vice principals effective July 1, 2021, based on 2020-21 staffing levels, is estimated at $105,600.

  - **Excluded Staff and Trustees–** expected costs for a 2% general wage increase for all excluded staff effective July 1, 2021, based on 2020-21 staffing levels is estimated at $44,650.

- **Enrolment Growth/Decline:**

  - **Classroom and Non-enrolling Teachers -** Enrolment projections indicate an increase of approximately 113 FTE students for 2021-22. Though additional students would typically force the need for additional teaching staff, through efficient class organization and configuration, classroom teaching staff levels will remain status quo for 2021-22. The preliminary teacher staffing plan meets or exceeds all required staffing ratios as per the SD83/NOSTA collective agreement

  - **School Fees and General Supplies –** With an increase of approximately 113 FTE students for 2021-22 in our bricks and mortar schools, based on formula, an additional $11,800 will be required for classroom fees and supplies. An additional $23,210 will be required to support the additional distance learning students anticipated for 2021-22, as well as an additional $48,010 for growth in international student enrolment.

- **Identified Special Needs Students –** Enrolment of students with identified special needs is expected to increase by approximately 10.3% in 2021-22. Associated additional costs to support this increase in enrolment is estimated at $820,000, which will be allocated primarily to additional Certified Educational Assistant and School Support Teaching time.

- **Career Education –** An increase of $67,500 in Career Program supports is expected due to an associated increase in student Trades Program enrolment.

➢ **Other**

- **General Inflation –** the BC Consumer Price Index for 2020-21 has not yet been published (available April 2021), however, based on recent monthly data, it is expected that inflation will drop to 0.8%. Based on this preliminary estimate, the annual inflationary cost on supplies and materials is $77,800 for 2021-22.

- **Utilities –** Effective April 1, 2021, hydro rates will increase by 2.7%, resulting in an increased utility cost of approximately $24,000 for 2021-22.

- **Custodial Services –** Though government has optimistically advised that school districts should plan to return to a *"Stage 1 – Learning as Usual"* environment effective September 2021, in an effort to reduce staff/student anxiety and manage risk, we are proposing to continue with heightened cleaning levels throughout the district, at least through to winter break 2021. As additional COVID funding will <u>not</u> be available next year, costs for this initiative will be borne by the district. Continuing with current custodial staffing levels, day-time custodial shifts, and full-time custodial replacement for half of the 2021-22 school year, will result in an estimated increase of $489,892 for staffing costs, as well as an additional $59,600 for required/associated cleaning supplies/equipment.

- **Telephone Land Lines** – As the district transitions to Teams phone lines, land lines will no longer be required. Based on the school that have/will transition over the course of 2021-22, the land line budget has been reduced by $29,000.

ADDITIONAL EQUIPMENT REFRESH REQUIREMENTS

In order to ensure long-term operational efficiencies and sustainability, the following additional equipment purchases are proposed for 2021-22:

- **Bus Engine Replacements –** the district continues to experience significant challenges with the Maxforce DT bus engines related to emission equipment requirements causing premature engine failures. These engine failures are occurring between 200,000km and 240,000km, which is long before the 325,000km which qualifies them for capital replacement funding from government. The district expects the need to replace 4 engines in the fleet in 2021-22, and the cost for this is estimated at $40,000.

- **Student Transportation Software and Tablets –** The district is proposing to replace its current server-based routing and planning software program with a web-based system that will communicate more effectively and directly with drivers, parents, the mechanics shop and dispatch. Up-to-date maps will be more accessible. Parents will be able to see what time the bus is expected at their home through an app that communicates with the GPS system. The district will gain the ability to monitor both the white and school bus fleets, and maintain a preventative maintenance program. In conjunction with this initiative, the district is also proposing to re-instate tablets for school buses that will provide route, student and street information to drivers in real time. It will also record pre-trip information and duty status information (currently being recorded on paper). The cost for this initiative is estimated at $126,500.

- **Zero Turn Mower and Trailer–** Replacing the mower and trailer that is at end of serviceable life with a zero-turn mower and a matched trailer will avoid high repair costs and improve the efficiency of staff. The new equipment improves the safety for staff with a lower and easier to load system. The estimated cost for this proposed equipment replacement is estimated at $20,000.

PROPOSED ADDITIONAL INITIATIVES

The following initiatives and additional supports/resources are proposed for budget 2021-22:

➢ Inclusive Education

- **Inclusion Resource Teacher -** With the reduction of the role of Assistant Superintendent of Curriculum & Instruction, the role of the Director of Instruction has expanded to include support for the District Principal portfolios (Numeracy, Early Learning, Career Ed, International, Inclusive Education, Indigenous Education, in addition to the K-8 schools and professional learning). This, in turn, has also significantly increased the workload of the District Vice-Principal (VP), particularly over the course of the last 18 months as we transitioned to MyEdBC and CBIEPs. The increase in student population and designated students since 2016/17 has also had a significant impact. There are a number of tasks currently being done by the District VP that could easily be assigned to a District Inclusion Resource Teacher, thereby increasing service to schools. The estimated cost for this proposed increase is $104,310.

➢ Instruction and Curriculum

- **Seamless Transitions Pilot Project -** The Ministry of Education now has a mandate to support before and after school childcare in schools. To support this mandate, the Ministry of Education is providing Districts who would like to pilot this program with $50,000 to support the wages and benefits for one Early Childhood Education (ECE) Worker. The expectation is that the District would match this funding by providing $50,000 for a second ECE Worker to provide before and after school childcare. The added benefit is that this ECE Worker would also be available to support the Kindergarten class in the chosen school.

- **Transforming Assessment K-12 –** An increased budget of $197,756 is being proposed for release time and associated supplies for the following initiatives as per the District Education Plan:
    - Transforming Assessment K-12:
        - "Giving Students a Say" Secondary Assessment with Myron Dueck
        - K-8 Communicating Student Learning
    - Curriculum
        - Continued work with National Math leader, Dr. Peter Liljedahl
        - School-based data conversations
        - Heggerty Phonological Awareness Program (Kindergarten/Gr. 1)
        - Powerful Writing Structures, Adrienne Gear
        - School Improvement Plans with Observable Impact, Cale Birk
        - Communities of Practice (professional learning & inquiry series)
        - Teacher mentorship & Induction

- **Physical Literacy –** The District has been successful in being chosen as a pilot district for Physical Literacy, that will bring some cost sharing to the district. A budget of $40,000 will be required for staff training costs, school champion costs and additional costs associated. Nationally students are now more than ever, unfit, and in many cases approaching rates of 35% obesity. Health and Wellness is both a district goal and also correlates with improved academic outcomes. This is an effort to support all our students and educators with a systematic approach to Physical Literacy.

Business/Operations

- **Student Information System (SIS) Level 1 Support Position**: In light of the work load pressures that continue within the Information Technology Department that result from the recent transition to MyEdBC with respect to the need to reengineer business processes and cycles (where possible) that have been built over the last 21 years. These tasks are proving to be massive, time consuming, and require collaboration with most departments in the district. This continual change of processes and business cycles in all areas of the District continue to keep staff at or over capacity. This effort will need to continue through the coming years. In an effort to address work load concerns, the district is proposing an addition of a .5 FTE SIS Level 1 support staff position at an estimated cost of $27,000.

PUBLIC FEEDBACK

Should you wish to share your views on the proposed budget considerations, you are invited to complete the online survey.

This survey will be open from Monday, May 10th through to Tuesday, May 18th, 2021 at noon.

Individuals wishing to provide written submissions are asked to email them to swood@sd83.bc.ca before end of day on Monday, May 17th, 2021.

Please note: All submissions to the Board are considered public documents. The Board therefore reserves the right to make any submissions available to the public and to place them on the district website.

Thank you for taking the time to review our 2021-2022 Preliminary Budget Development Summary.