



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

2020-2021 PRELIMINARY BUDGET DEVELOPMENT SUMMARY

During this year's budget development process, we find ourselves in an unusual and challenging time; one of uncertainty, unpredictability and change. As we prepare for the financial pressures that inevitably 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 to come.

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 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 2020-21 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
- Students
- 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.

At its Regular Meeting of April 21, 2020, the Board of Education adopted a revised ***Preliminary Annual Budget Timeline and Process*** (Appendix 3) in response to the current pandemic situation and the inability to hold face-to-face meetings.

OPERATING REVENUES

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, 2020, the Ministry of Education's Operating Grant block funding rates will change as follows:

2020-21 Ministry of Education Funding Level Changes			
Government is providing an additional \$144.6 million in operating grants to school districts this year for a total of about \$5.536 billion			
Children and youth in care, children living in low income families and a greater number of students with mental health challenges will benefit from a new \$23-million supplement being allocated to school districts in 2020/21			
The ministry is improving equity in the system by continuing to increase funding to support students with special needs and Indigenous education. Students with special needs are being supported with an estimated \$627 million in supplemental funding in 2020/21. Indigenous learners will benefit from an estimated \$93.3 million in supplemental funding in 2020/21.			
Students at rural schools will benefit from the largest one-year funding increase ever for their schools, with \$321.6 million allocated this year, \$26.5 million more than last year.			
Funding Supplement	2019/20 Rate	2020/21 Rate	Change
Basic Allocation	7,468	7,560	92.00
Special Needs – Level 1	42,400	43,000	600.00
Special Needs – Level 2	20,200	20,400	200.00
Special Needs – Level 3	10,250	10,300	50.00
English Language Learning	1,495	1,520	25.00
Indigenous Students	1,450	1,500	50.00
Non-Graduated Adult Education	4,773	4,823	50.00
Student Location Factor (elementary)	266	271	4.47
Student Location Factor (secondary)	355	361	5.93

The resulting effects of these rate changes, combined with the anticipated growth of 96.4375 full-time equivalent (FTE) students for 2020-21 are as follows:

- The Employer Health Tax grant and the Support Staff Labour Settlement Funding (including the Service Improvement Allocation Fund) will roll into the Basic Allocation within the block as a portion of the \$92 per student increase. The Classroom Enhancement Fund Overhead will be reduced by 10%. These changes, along with an anticipated growth of 96.4375 student FTE will result in an over-all increase in base funding of \$518,815.
- The Vulnerable Student Grant will discontinue. The Curriculum and Learning Support Fund will be reduced by 60%. The Equity of Opportunity Grant will be introduced. The net effect of changes to these three supplemental grants combined will be a loss of \$108,731 in funding for 2020-21.
- The Rural Enhancement Education Fund and the Carbon Tax grant will roll into the block to form a portion of the increased rates for the Geographical Factor Grant within the block. The net effect for SD 83 will be an increase of \$662,957 in geographical funding.
- The increase of \$50 per student, combined with an anticipated growth in self-identified indigenous students will result in an increase of \$93,800 in Indigenous Education Targeted Funding.
- The anticipated growth in funded categories of Special Needs and English Language Learning (ELL) students, combined with the rate changes will result in an increase of \$1,394,160 for 2020-21.

The impact of all changes will result in a net increase of \$2,561,001 in operational funding from the Ministry of Education for 2020-21.

Additional changes to Other Ministry Grant Revenues include a small reduction in the district's reimbursement for self-provisioned telecommunication services and the discontinuation of the professional development portion of the Mental Health Grant. These two changes combined result in a reduction of \$9,329.

Industry Training Authority (ITA) funding is projected to decrease by \$9,050 due to a slight decrease in anticipated enrolment in dual credit trades programs.

The investment income projection has been reduced by \$90,000 for 2020-21 in response to the rate reductions recently initiated by the Bank of Canada.

The total over-all operating revenue increase for 2020-21 is estimated at **\$2,452,622**.

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 2020-21 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 \$285,000 for 2020-21.

➤ **Wage/Compensation Improvements**

- **Teachers** – pending wage increases are not yet confirmed, and therefore related funding has not yet been announced by the Ministry of Education. As such, neither the additional anticipated expense, nor the additional expected revenue will be included in the 2020-21 Preliminary Annual Budget, unless otherwise advised prior to budget bylaw adoption.
- **CUPE** – expected over-all costs for the 2% wage increase for all support staff employees effective July 1, 2020, based on 2019-20 staffing levels, is estimated at \$345,000.
- **Principals and Vice Principals** – expected increases of \$235,300 include a general grid increase of 2% effective July 1, 2020, contractual improvements related to professional development, grid increments related to tenure and performance reviews, and re-categorizations of district-level positions.
- **Excluded Staff and Trustees** – projected increases of \$151,000 include a general grid increase of 2% effective July 1, 2020, grid increments related to tenure and performance reviews, and the addition of the Health, Safety and Wellness Coordinator position.

➤ **Other**

- **Insurance Premiums for Contract Snow Clearing** - Due to a significant number of high value personal injury claims submitted by snow clearing and ice control contractors, insurance premiums for federal, municipal and institutional public contracts are expected to continue to increase at substantial rates. These additional costs will inevitably be passed on to the customer. We anticipate a minimum increase in contracted snow clearing costs of \$40,000 for 2020-21.
- **General Inflation** – the BC Consumer Price Index for 2019-20 published a 2.2% annual rate of inflation for 2019-20. Should this rate remain consistent for 2020-21, the annual inflationary cost on supplies and materials is estimated at \$160,000, based on the portion of the operational budget committed to these budget lines for 2019-20. Though this anticipated cost pressure is noted, only ¼ of this estimation (\$40,000) is included as an unavoidable cost pressure for budgeting purposes for 2020-21.
- **Utilities** – as a result of the current global pandemic, utility costs are expected to dip slightly for 2020-21. The anticipated savings are estimated at \$27,000.

- **MyEd Student Information System** – In December 2018, the Board approved the implementation of the Provincial Student Information System “MyEducation BC” for the 2019-20 school year. Training and implementation costs were estimated at \$200,000. As this conversion is now substantially complete, the expected savings for 2020-21 are estimated at \$160,000.
- **Accrued Benefit Obligation** - Mercer has recalculated the Accrued Benefit Obligation for the District's Employee Future Benefits (EFB) based on the interest rate at March 31, 2020 (early measurement date). In order to comply with Public Sector Accounting Standards (PSAS), any additional related cost or saving must be recognized. The additional cost for our Accrued Benefit Obligation for 2020-21 is estimated at \$32,000.
- **Summer School 2020** – In light of the circumstances related to COVID-19, the District will not be offering a summer reading program in July, resulting in a reduction in expense of \$9,200.
- **Uninsured Losses** – The district is required to cover a \$10,000 deductible for each insurance claim filed with the Ministry of Education’s School Protection Plan. In the fall of 2019, the district experienced an unusually high number of water damage claims due to extreme/unusual precipitation. The district expects fewer claims in 2020-21, and therefore plans to reduce the associated budget by \$20,000.

➤ **Enrolment Growth/Decline**

- **Regular Student Enrolment** - Enrolment projections indicate an increase of 96.4375 FTE students for September 2020 which has resulted in the following required staffing increases:
 - Classroom Instruction - 5.864 FTE teaching (the need for 2 of these positions is planned for/recognized, however they will be held back as contingencies until actual student enrolment is known in September)
 - Counseling (middle/secondary) and Library (based on ratio formula) - 0.292 FTE teaching
 - Learning Resource (based on ratio formula) – 0.580 FTE teaching
 - Education Outreach Program - 0.143 teaching
 - School Administration – 0.200 FTE teaching

Total salary and benefit costs for 7.079 teaching FTE is estimated at \$690,000.

- **Career Education** – A reduction of \$20,000 in Career Program supports is expected due to an associated drop in student Trades Program enrolment.

The total over-all estimate for **Cost Pressures/Anticipated Savings** for 2020-21 is summarized below:

Wages and Compensation		
Benefit Premiums	285,000	
Teachers	-	
CUPE	345,000	
Principals and Vice Principals	235,300	
Excluded Staff and Trustees	151,000	
Other		1,016,300
Insurance Premiums - Snow Clearing	40,000	
General Inflation	40,000	
Utilities	- 27,000	
MyEd SIS Implementation	- 160,000	
Accrued Benefit Obligation	32,000	
Summer School 2020	-9,200	
Uninsured Losses	-20,000	
Enrolment Growth/Decline	-	104,200
Regular Student Enrolment	690,000	
Career Education	- 20,000	
		670,000
Total Cost Pressures/(Anticipated Savings)		1,582,100

EQUIPMENT REFRESH REQUIREMENTS

In order to ensure long-term operational efficiencies and sustainability, the following equipment purchases are proposed for 2020-21:

- **Computer Hardware** – in support of the district’s **Information Technology Plan** as adopted by the Board in June of 2019, specifically:
 - *1.5. Commit to an equitable deployment and refresh cycle that supports a minimum 4 to 1 student to mobile devices ratio in each school for students in grades 4-12.*
 - *1.6. Commit to an equitable deployment and refresh cycle that supports a minimum 6 to 1 student to mobile devices ratio for students in kindergarten-grade 3 or a minimum of 28 devices in each school (whichever is greater).*

an increase of \$250,000 is required to ensure the commitments as outlined are met.

- **Photocopier Fleet** - the district’s entire fleet of copiers (52 units) was purchased with surplus/local capital funds 5 years ago (estimated value \$480,000). Many of the copiers are now at end-of-life and require replacement. The District has worked with the vendor to develop a 4-year refresh plan in an effort to a) avoid significant and sporadic cost pressures in the future, b) to avoid significant increases in services and maintenance fees, and c) to ensure down-time is avoided and operational efficiencies are maintained. The estimated cost for year 1 of this 4-year refresh plan is \$120,000.

- **Phone System Refresh Plan** – the district has initiated a 3-year plan to replace costly server-based phone systems with software-based phone systems. The 3-year plan allows for older equipment to be replaced where required and to keep the amount of change currently in the system to a minimum. The cost of the new system will be offset by the budget allocation required by the older system. Unfortunately, the 3-year plan will cause some increased costs as it will be necessary to run and maintain both systems at the same time. This opportunity is part of the continued plan and strategy to centralize software and leverage the products that the district has already invested in. This has only been available to the district in the last few years and has proven invaluable during the recent times as related to the discontinuation of in-class instruction. The required budget for this initiative for 2020-21 is \$33,000.
- **Band Equipment** – As a result of the recent discontinuation of band equipment rental fees previously charged to parents/guardians, an additional \$33,000 is required in order to maintain, repair and refresh band equipment. These funds are required in order to support the music program by ensuring band instruments remain available to all students.
- **Auto Scrubbers** – An auto scrubber is a motorized device used to clean floors in a variety of businesses, industrial environments, shops, and large buildings. Auto-scrubbers are viewed as the preferred ergonomic option when considering employee health and the reduction of injury. Currently, only 50% of the district's schools have auto scrubbers. An annual budget increase of \$25,100 is required to purchase 4-5 small auto scrubbers per year in an effort to improve the efficiency of our Custodial services. Schools will see an improvement in cleanliness, and Custodians will see improvements in their physical health and wellness.

The total over-all estimate for **Equipment Refresh Requirements** for budget 2020-21 is summarized below:

Computer Hardware	250,000
Photocopier Fleet	120,000
Phone System Refresh Plan	33,000
Band Equipment	33,000
Auto Scrubbers	25,100
Total Equipment Refresh Requirements	461,100

PROPOSED INITIATIVES

The following initiatives and additional supports/resources are proposed for budget 2020-21:

➤ **Inclusive Education**

- **Additional Supports for Students with Diverse Learning Needs** – Based on the projected increases in the number of designated students and their individual needs assessments, an increased budget allocation is requested for additional Certified Educational Assistants' and/or teaching support time.

- **Teacher of Students with Visual Impairments (TSVI)** - TSVIs support students with vision impairments and additional exceptionalities, as well as learners with deaf-blindness. The educational programming requirements of students with visual impairments are highly individualized. An additional 0.900 FTE Teaching time (\$87,500) is requested in order to better meet the needs of students in the district.
- **Trauma Consultant Teacher/Counselor** - A 1.000 FTE Trauma Consultant Teacher/Counselor (\$97,300) is requested for 2020-21. School-based teams are identifying an ever-increasing number of students (and families) who are struggling with the impacts of trauma. Many of these children present with severe anxiety, grief and loss, difficulty focusing and engaging in learning, and struggle with self-regulation. School teams struggle to effectively support the child, unable to address the underlying factors that are driving the behavior.

➤ **Instruction and Curriculum**

- **Expansion of Early Literacy Intervention** - Early Literacy Intervention (ELI) demonstrates that 70% of the district's lowest grade 1 non-reading students are still at grade level reading ability 3, 5, 7 and now 8 years after this intensive 1-year intervention. Reading is the number one predictor of lifetime achievement. Reading instruction and achieving grade level reading is a priority premised on student success. The success of the Early Literacy Intervention Program has been demonstrated year after year in the district. Additional teaching time is requested in an effort to continue to expand the ELI Program to all elementary schools in the district. The program is expensive, however not providing this core function to all students is more expensive in terms of diminished student learning and lifetime outcomes.
- **Indigenous Literacy Intervention Program** - Given that the district's indigenous students continue to have lower reading results and graduation rates, and given that early intervention with reading is the proven way to start to address this, an addition of 0.500 FTE Indigenous Literacy Intervention Program Teacher (\$49,000) at M.V. Beattie is requested. The intent of this pilot program would be to rely on the built-in professional development of the Literacy Intervention Program model, but be specifically focused on supporting indigenous students.
- **Numeracy Professional Development** - With the intent to increase Teacher efficacy, a request for additional professional development funding for the Numeracy Helping Team is proposed. \$20,000 is requested to apply to the fees for the renowned National Math leader, Dr Peter Liljedahl, and an additional \$50,000 is requested for related travel and teacher replacement costs.

➤ **Operations**

- **Water Filters/Bottle-filling Stations in Schools** - A request for a minimum of \$30,000 is proposed to initiate the process of installing filters and bottle-filling stations in all school sites in response to the recent changes imposed by Health Canada in relation to the lowered levels of allowable lead content in drinking water. This budget provision over a 5-year period will ensure that drinking water from all sources in all school sites is fully in compliance to the revised standards.

- **Full-time Replacement of Custodians** - An increase of \$109,000 is requested to reinstate full-time replacement of absent custodians. Currently, replacement provisions only allow for 1/2-time replacement for the first 3 days of absence. This practice not only creates inequities among employees and school sites, but more importantly, it imposes significant pressure on the district's valued Custodians when they fall ill. Half-time replacement is not conducive to ensuring the Custodial Department meets its primary objective of providing clean and healthy environments for all staff, students, and parents at all times, and particularly, during current times of COVID-19.
- **Custodial Cleaning Supplies and Paper Products (including menstrual products for school washrooms)** – In response to budget reductions imposed several years ago, cleaning supplies have essentially been squeezed into a 'one stop product' to cover every aspect of cleaning. This has imposed additional costs on the district as resources are required to fix surfaces that have been damaged due to the use of inappropriate cleaning products. Cleaning supply demand is currently heightened as the district continues to fight the spread of COVID-19. On-going work is underway in researching the most cost effective and adequate cleaning supplies available. An increase of \$101,000 is requested for the purchase of adequate cleaning supplies and paper products for 2020-21.

PRIOR YEAR OPERATING SURPLUS APPROPRIATION

In light of the recent discontinuation of in-class instruction related to the global pandemic, the district expects to end the 2019-20 school year with an unplanned operating surplus. Though the district has incurred significant additional costs related to the increased custodial services and supply costs, and for the provision and support of online teaching and learning, the forecasted savings in replacement costs are considerably greater. Available operating reserves at June 30, 2020 are estimated at \$500,000.

As this surplus is a one-time savings that resulted in an unusual circumstance, and will not be available to support on-going programs or initiatives going forward, the district is considering applying these surplus funds to only one-time capital purchases as follows:

- **White Fleet/Operations Equipment** – the district currently owns/maintains a white fleet of 47 units, ranging in age from 2001 to 2019 (including fork lifts, tractors, mowers, etc.). Replenishing this fleet ensures long-term sustainability, mitigates lost time and resources in maintaining aged-out/old equipment, and enables the district to ensure organizational efficiencies by recognizing substantial savings in contract services, specifically:
 - Skid Steer – \$40,000 – currently, the district rents or contracts the use of a skid steer (or similar) for snow removal at \$3,200 per week.
 - Parking lot sweeper – \$35,000 - currently the district contracts parking lot cleaning and rental equipment to a tune of \$20,000 per year. By purchasing a new or reconditioned unit and having the district's grounds staff do this work, a full payback on investment within two years is expected.
 - Mower – \$25,000 - the district's mowers are very near end of life. Significant time and resources are being consumed in an effort to repair and maintain aged-out equipment, and downtime greatly affects service to school sites.

- **Bus Engine Replacements** – the district is experiencing 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 that qualifies them for capital replacement funding. The district expects the need to replace 11 of the 13 in the fleet in 2020-21, and the cost for this is estimated at \$115,000.
- **DDC Controls Upgrade** - the current direct digital control flash player graphics for the HVAC systems at several sites will no longer be supported by any platform after December 31, 2020. This was an unforeseen complication when these systems were installed years ago. In order to keep these systems working, an upgrade to HTML5 is required. The estimated cost for this upgrade is \$75,000.
- **Papercut Management Software** – The software system for our photocopiers is up for renewal July 1, 2020. The one-time cost (every 5 years) for this renewal is \$28,000.

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 Wednesday, May 13 to Sunday, May 24, 2020.

Individuals wishing to provide written submissions are asked to email them to vdeacon@sd83.bc.ca before end of day on Sunday, May 24, 2020.

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 2020-2021 Preliminary Budget Development Summary.

2020-21 Preliminary Budget Development - Progress Summary

Revenues

Total Revenues (all sources)	2,452,622	
Less: Targeted Funding Allocation	- 93,800	
Total Available Funding		2,358,822

Cost Pressures/Anticipated Savings

Wages and Compensation

Benefit Premiums	285,000	
Benefit Premium Holiday	-150,000	
Teachers (shortfall X2 years)	160,000	
CUPE	345,000	
Principals and Vice Principals	235,300	
Excluded Staff and Trustees	151,000	

Other 1,026,300

Insurance Premiums - Snow Clearing	40,000	
General Inflation	40,000	
Utilities	- 27,000	
MyEd SIS Implementation	- 160,000	
Accrued Benefit Obligation	32,000	
Summer School 2020	- 9,200	
Uninsured Losses	- 20,000	

Enrolment Growth/Decline - 104,200

Regular Student Enrolment	690,000	
Career Education	- 20,000	

670,000

Total Cost Pressures/(Anticipated Savings) **1,592,100**

funds remaining **766,722**

Hardware Refresh Requirements

Computer Hardware	250,000	
Photocopier Fleet	90,000	
Phone System Refresh Plan	33,000	
Band Equipment	33,000	
Auto Scrubbers	25,100	

Total Equipment Refresh Requirements **431,100**

funds remaining **335,622**

Possible Reductions

Reduce School Psychologists (part contract)	- 20,000	
Inclusion Helping Teacher	- 77,840	
		- 97,840

funds remaining **433,462**

Proposed Initiatives

Additional Support for Incl Ed Students	amount
Teacher of Students with Visual Impairments	87,500
Trauma Consultant/Counselor	97,300
Expansion of Early Literacy Intervention Program	amount
Indigenous Literacy Intervention Program	49,000
Numeracy Professional Development - Fee	20,000
Numeracy Pro Development - replacement/travel	50,000
Water Filters/Bottle-filling Stations in Schools	30,000
Full-time Replacement of Custodians	amount
Custodial Cleaning Supplies and Paper Products	amount

Additional Considerations

Iniishiki Program	13,000
Contingency	amount

Prior Year Applied Surplus

Papercut Management Software	28,000
White Fleet/Operations Equipment	100,000
Bus Engine Replacements	115,000
DDC Control Upgrade	75,000
	318,000