

NANAIMO LADYSMITH PUBLIC SCHOOLS

BUSINESS COMMITTEE  
PUBLIC MEETING

ACTION SHEET

DATE: March 2, 2022  
TO: Business Committee  
FROM: Mark Walsh, Secretary-Treasurer  
SUBJECT: Draft Revised Policy 2.16 – Accumulated Operating Surplus Reserves

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**Recommendation:**

*The Business Committee recommends that the Board of Education of School District No. 68 (Nanaimo-Ladysmith) receive the Draft Revised Policy 2.16 – Accumulated Operating Surplus Reserves Policy and circulate as a notice of motion for 30 days, utilizing the consultation process as per Board Governance, Section 1, 2.7 – Policy Development.*

**Background:**

The Independent Panel of the K-12 Provincial Education Funding Model Review made 22 recommendations to improve accountability, financial management and equity in the K-12 education sector. Government accepted the recommendations and launched Phase 1 of the implementation plan in February 2020. Following the directives laid out in the implementation plan, our District created an Operating Surplus/Deficit Policy and related Administrative Procedure which was accepted by the Board of Education.

On May 28, 2021 as a continuation of the Phase 1 implementation plan the Ministry announced its new Financial Management Policies – the K-12 Public Education Financial Planning and Reporting Policy and the K-12 Public Education Accumulated Operating Surplus Policy. Further, on October 8, 2021 the Ministry provided districts with the Companion Guide which provided additional guidance to districts in the development of the required Policy and Administrative Procedure.

**Discussion:**

Following Board direction on September 25, 2021, that Policy 2.16 should be reviewed by the Policy Committee, and subsequent to new guidance from the Ministry provided under the Accumulated Operating Surplus Policy Companion Guide, staff revised the Policy to align with Ministry expectations and recommendations as well as incorporated changes requested by the Policy Committee, all of which are noted below:

- Policy has been revised to aligned with current Policy structure and updated using guidance from the Ministry's companion guide, past practice, and operational efficiency
- Policy has been renamed to align with Ministry guidance
- Table of Contents – removed

- Glossary (Definitions) – removed, they are now within the Administrative Procedure and updated to reflect Ministry format
- Financial Health – renamed to Purpose and modified slightly
- Policy Statement – removed
- Purpose and Scope – renamed to Policy/Procedure and updated to align with AP 524 and Ministry guidelines pursuant to the Financial Companion Guide.
- Objective – Removed Guiding Principles – removed
- Reporting and Approval Requirements – renamed to Oversight and Reporting and updated to reflect go-forward practice in alignment with Ministry guidelines and the revised Administrative Procedure.
- Removed the annual review process by the Secretary-Treasurer as policy review would be done by the Policy Committee, when a review is suggested/required
- Updated the section on consultation to include Metis Nation BC, and Education Partners per the companion guide
- Removed all reference to surplus reserve category Min/Max levels as they no longer apply
- Added a section that refers to the stakeholder and community consultation process being available on our districts website as suggested by Ministry

The Policy was drafted by staff based on Ministry guidance (which is attached) and then reviewed by the Policy Committee to ensure it aligned with the local context.

In addition, Ministry has reviewed our revised Draft Policy and their preliminary feedback has already been incorporated. It should be noted there may be further feedback from the Ministry. In that event, there may be additional minor changes recommended prior to final passage after the 30 day consultation period.

Staff have added the amended corresponding Administrative Procedure that aligns with the draft Policy. Following the 30 day feedback period and the final approval of the Policy, staff will amend the associated Administrative Procedure if required and implement.

#### Appendices:

Appendix A: Draft Revised Policy 2.16 – Accumulated Operating Surplus Reserves

Appendix B: Ministry Companion Guide

Appendix C: Draft Revised Administrative Procedure 254 – Accumulated Operating Surplus Reserves