

NANAIMO LADYSMITH PUBLIC SCHOOLS
Education Committee Meeting
Information Sheet

DATE: May 4, 2022
TO: Education Committee
FROM: Mark Walsh, Secretary-Treasurer
SUBJECT: 2022/23 Overview of the Preliminary Annual Base Budget

At this time district staff have prepared the 2022-23 Preliminary Annual Budget, which as a reminder to the Board, is a direct reflection of the 2021-22 Amended Annual Budget as approved late February, then adjusted to account for all known or anticipated changes required for the coming fiscal year. Note that for the purpose of this report, only the Operating Budget is being discussed, information relating to Special Purpose Funds, Capital and Local Capital will be provided at subsequent meetings.

With regards to Operating Revenue, notable changes include the following:

- All items within the 2021-22 Amended Annual budget that were funded by Restricted or Unrestricted Surplus have been removed
- The internal transfer from Operating to Local Capital has been removed
- The Ministry of Education Operating Grant has been updated per projected student enrolment
- Any one-time Grants have been removed, along with their associated expenditures
- Rental, Lease and Investment income levels have been adjusted per 2022-23 estimates
- International Student Tuition has been adjusted per anticipated enrolment for 2022-23
- All other miscellaneous revenues have been audited and adjusted where necessary

Operating Expense changes relate predominately to staffing and benefits as they represent approximately 91% of our overall operating costs. Budgeted expense adjustments include:

- Average Teacher Salary has been increased for estimated 2022-23 increment costs
- NDTA/CUPE wages have not been increased as negotiations are underway, applicable increases are TBD, and will be funded via a Labour Settlement Grant from Ministry
- Benefit rates have been increased per projected costs
- Replacement costs have been increased to account for higher sick leave usage
- School based staff allocations and operating budgets have been adjusted based on projected student enrolment
- All one-time staffing and supply increases provided in 2021-22 have been removed
- Budget has been updated per the 2022-23 School Calendar where the number of days in session increase 10-month employees from 39 working weeks per year to 39.4 weeks
- A salary contingency has been placed within budget to account for 2022-23 increases for Administrative and Exempt Staff but as the grid amounts are still TBD, per position rates cannot be adjusted so contingency earmarks the anticipated expense

- The International Student Education budget has been realigned pursuant to estimated student enrolment in 2022-23
- The retirement of an excluded staff member where the surplus funds are being redirected to an additional Payroll Specialist due to ongoing departmental pressures, and clerical support for the Finance Department.
- The districts digital/technology Contract budget has been updated for estimated 2022-23 costs
- Other minor miscellaneous expense adjustments per internal departmental audits
- An adjustment necessary to account for the newly announced revision to the Employment Standards Act where additional sick leave provisions apply to our Casual and TTOC staff

The majority of the district's Operating Fund is provided under the Ministry of Education Operating Grant which is based on our projected student enrolment, and pursuant to factors and supplements determined by Ministry. On March 11th Ministry confirmed our Operating block, which per our February student enrolment projection was originally estimated to be an increase of \$1.510 million, however, the final Grant is an increase of \$1.721 million. Important to note that there was no change to the per pupil student rates, the slight increase was due to the confirmation of some funding supplements that we do not estimate in advance, we project they will remain the same until confirmed in March. The following table reflects the FTE and Funding levels within our 2021-22 Amended Annual Budget compared to our 2022-23 Preliminary Annual Budget projections where we anticipate an increase of 275.59 student FTE.

NLPS - Financial Impact of Projected Enrol for 2022/23 Vs. the 2021/22 AAB - Confirmed by MOE March 11, 2022							
	Funded FTE			RATES	Funding		
	Budget 2022-23	Actual 2021-22	Change		Budget 2022-23	Actual 2021-22	Change
September Enrolment							
Standard (Regular) Schools	14,393.615	14,112.375	281.240	7,885	113,493,654	111,276,077	2,217,577
Continuing Education		-	-	7,885	-	-	-
Alternate Schools	295.000	289.000	6.000	7,885	2,326,075	2,278,765	47,310
Distributed Learning	355.225	366.500	(11.275)	6,360	2,259,231	2,330,940	(71,709)
Adult Education (Non-Graduates)	2.500	2.875	(0.375)	5,030	12,575	14,461	(1,886)
Total September Enrolment	15,046.340	14,770.750	275.590		118,091,535	115,900,243	2,191,292
Unique Student Supplements							
Home Schooling	83.00	83.000	-	250	20,750	20,750	-
Course Challenges		4.000	(4.000)	246	-	984	(984)
Level 1 Special Needs	16.000	17.000	(1.000)	44,850	717,600	762,450	(44,850)
Level 2 Special Needs	510.000	534.000	(24.000)	21,280	10,852,800	11,363,520	(510,720)
Level 3 Special Needs	225.000	223.000	2.000	10,750	2,418,750	2,397,250	21,500
English Language Learning	885.000	909.000	(24.000)	1,585	1,402,725	1,440,765	(38,040)
Indigenous Education	2,400.000	2,469.000	(69.000)	1,565	3,756,000	3,863,985	(107,985)
Total Unique Student Supplements	-	-	-		19,168,625	19,849,704	(681,079)
Other Funding Categories							
Equity of Opportunity Supplement					853,479	842,654	10,825
Salary Differential Supplement					3,278,380	3,218,333	60,047
Unique Geographic Factor Supplement					3,493,625	3,340,508	153,117
Education Plan Supplement					132,911	128,732	4,179
February Data Count (New SPED/DL/ELL)	154.000	154.000	-		1,006,675	1,019,806	(13,131)
May Data Count (New DL Only)	93.000	93.000	-		522,560	527,720	(5,160)
Total Other Funding Supplements	247.000	247.000	-		9,287,630	9,077,753	209,877
Total September Enrolment	15,046.340	14,770.750	275.590		118,091,535	115,900,243	
Total Unique Student Supplements					19,168,625	19,849,704	
Total Other Funding Categories	247.000	247.000	-		9,287,630	9,077,753	
Grand Total - FTE and Revenue	15,293.340	15,017.750	275.590		146,547,790	144,827,700	1,720,090
Plus, Ministry included a roll-over of Student Course Challenges, providing an additional							985
Final Operating Grant Increase							<u>1,721,075</u>

Below is a summary of the adjustments made to the 2021-22 Amended Budget in order to account for all necessary and known changes relevant to the 2022-23 fiscal year.

Operating Fund Summary - Revenue/Expense Changes			
2021-22 Operating Revenue - Amended Budget			155,176,115
<u>Changes in Revenue for 2022-23</u>			
Removal of Restricted Surplus			(7,060,336)
Removal of Unrestricted Surplus			(1,798,019)
Removal of the Restricted/Unrestricted Surplus transfers to Local Capital			5,187,500
International Student Education increase per projected student enrolment			256,950
Removal of one time increase in ITA revenue			(32,000)
Removal of Supplement for Collective Agreement Benefit costs through BCPSEA (new CA's in progress-22/23 TBD)			(95,519)
Adjustment to Rentals and Community Use revenue per current/coming year preliminary estimates			100,000
Adjustment Interest revenue per current/coming year preliminary estimates			49,000
Removal of Miscellaneous grants not applicable to 22/23			(8,000)
MOE Operating Grant update per 2022-23 projected student enrolment			1,721,075
Total Operating Revenue Adjustments			(1,679,349)
2022-23 Operating Revenue - Preliminary Annual Budget			153,496,766
2021-22 Operating Expense - Amended Budget			155,176,115
<u>Changes in Expense for 2022-23</u>			
Removal of all Restricted/Unrestricted Surplus items (Staffing Impact = -3 TCH FTE/-10 FTE Custodial/-1.25 FTE Bus Monitors/- .714 FTE Temp HR Clerical/- .50 HR Manager/-1.0 FTE Painter/-1.743 Outreach EA/- .286 NOE Crossing Guard/- .429 ECE Seamless Day K)	-18.922 FTE		(3,820,854)
Staffing update per projected student enrolment (+15.74) and removal of one time staffing (-20.65)	-4.91 FTE		(575,007)
EA Staffing update per projected enrolment and removal of one time staffing N/A to 22/23	-9.73 FTE		(223,159)
Clerical Staffing - removal of one time staffing (-.313)	-0.313 FTE		(2,259)
Retirement of Assistant Secretary Treasurer replaced by 1.0 Payroll/1.0 District Clerical	1.00 FTE		(36,522)
BCTEA Transportation routes moved back into Operating until 22/23 funding confirmed	3.382 FTE		218,910
School Operating Budgets updated per projected student enrolment			33,893
International Budget increase per revenue update	1.00 FTE		213,970
Benefit Rate increase per inflationary costs/anticipated expense			297,798
Increase to Average Teacher Salary per anticipated annual increments			599,254
Teacher Replacement Cost increase			251,012
Administrative/Excluded Salary Increases estimated for 22/23			273,537
Update to District digital/technical contracts for 22/23			245,983
Reversal of one time budget ADJ's N/A to 22/23 (Staffing = -1.25AO time/.247 RRT Secondment reversal)	-1.003 FTE		(292,707)
School calendar update for 22/23 per days in session increases 10 month employees from 39 to 39.4 wks.			148,196
Total Operating Expense Adjustments	-29.496 FTE		(2,667,955)
2022-23 Total Operating Expense - Preliminary Annual Budget			152,508,160
Budgeted Surplus (Prior to Employment Standards Act Sick Leave Provision announcement March 31, 2022)			988,606
Adjustment to account for the estimated cost of implementing the new Sick Leave provision under the ESA			675,000
Revised Budgeted Surplus - Pending Allocation focused on improving student outcomes			313,606

The district had originally anticipated increased revenue, over planned expense, in the amount of \$988,909, however, on April 1st it was announced that the Employment Standards Act had been revised to include sick leave provision for employee who were not previously entitled under our Collective Agreements. This cost has been estimated based on the number of Casual and TTOC employees, using the total 5-day entitlement, based on an average salary per employee group. However, actual costs are almost impossible to anticipate in advance with any real certainty as employee eligibility and usage is to be determined. The new provisions are in effect as of March 31st and the district is currently working on implementation as well, we will be tracking costs closely and will make any necessary budget adjustments if required. At this time, we are told this is not being funded, however, that may or may not change throughout provincial implementation, and requests/pressures by School Districts.

The remaining surplus of \$313,606 will be directed to improving student outcomes, final initiatives and resource allocations are still being determined.

Finally, note that the enclosed information is subject to changes as we are still finalizing anticipated operating costs and educational supports for the coming school year, in addition to the allocation of the above-mentioned surplus.

UPDATE: May 4, 2022

Budget priorities have now been established by Learning Services for 2022/23. Presented below are the allocations using the surplus balance previously indicated. Further, Learning Services has realigned some of their operating budgets in order to support additional priorities, and finally, the district will once again use restricted surplus to support a Summer Outreach program intended to connect with our most vulnerable students, helping them re-integrate into our school programs this fall.

Funded by Budget Surplus

Utilizing Budget Surplus to support the district Tier 3 Program, will enhance our continuum of supports and opportunities for students experiencing barriers to success in more traditional classroom settings. Supporting students in home and community settings during the pandemic has taught us that many of our complex students benefit from a “hybrid” approach to learning and are more successful when they are not required to be in a classroom for the duration of a full school day.

Students who benefit from this type of programming include:

- Students experiencing psycho-social barriers to regular attendance at school, including anxiety, family stressors (e.g., food security, poverty, substance use)
- Students with significant neurological differences due to a medical diagnosis of autism and/or other complex behavioural developmental condition, who require intensive, individualized functional programming that is beyond what the neighbourhood school is able to provide.

Additionally, an increase in the Elementary IST/ELL allocation will provide several of our elementary schools with increased specialist. fte to support the increased complexity within their schools.

In addition to an increase in learners requiring intensive tier 3 intervention, government sponsorship programs for refugees from Syria, Afghanistan and the Ukraine have resumed, and we are beginning to see an increase of students requiring ELL support. We anticipate that this need will continue to grow over the next calendar year.

There is also a modest request for some surplus monies to support the adjustment to the vice principal assignment at ICE. This will be combined with some monies drawn from the learning services budget to ensure that the team is able to continue to support the increased number of students, and the work being done to transform their structures and approaches to curriculum.

Funded by Learning Services

In addition to the monies being used to compliment the budget surplus being directed to ICE, the learning service team reviewed the current and anticipated caseloads for our specialist teachers for hearing and vision. The complexity, and volume of work required to support learners with these needs had shifted significantly over the past 5 years and reallocating our budget to allow for full time individuals in each role is now essential.

Funded by Restricted Surplus

Our outreach program served 78 elementary students last summer and 50 secondary students. Our elementary outreach program served 78 students last summer. The team not only provided access to food and services, but also created a community where the children were highly engaged. A large number of these children had not attended school at all during the 2020-2021 school year and have now returned to school full time. Some of these children felt so connected to staff that there were up to 24 individual points of connection with the family over the course of the summer. We continue to have families experiencing significant poverty and a lack of access to community supports and services and feel support over the summer is essential to their well-being. Our intention is to establish a structure of informal opportunities and points of connection, in a similar way to last year.

Learning Services - 2022-23 Budget Priorities	
<u>Funded by Budget Surplus</u>	<u>Cost</u>
District Tier III Program	
Vice Principal	147,939
CYSFW	55,103
EA	46,482
.51FTE Increase in Elementary IST/ELL allocations	56,954
Vice Principal assignment adjustments	10,426
Total	<u>316,904</u>
<u>Funded by Learning Services</u>	
.20 FTE increase to Specialist Teacher for Vision	22,638
.20FTE Increase to Specialist Teacher for Hearing	22,638
.30 FTE Increased Admin Time for Island Connect Ed	46,759
Total	<u>92,035</u>
<u>Funded by Restricted Surplus</u>	
Summer Outreach - 5 CYSFW's	
Total	<u>55,938</u>