

**NANAIMO LADYSMITH PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
ACTION SHEET**

DATE: September 28, 2022
TO: Board of Education
FROM: Mark Walsh, Secretary-Treasurer
SUBJECT: 2021-2022 Surplus Allocation

Recommendation

That the Board of Education of School District No. 68 (Nanaimo-Ladysmith) approve the recommendations contained in the Business Committee Action Sheet dated September 14, 2022, to allocate the unrestricted surplus to support the Board's goals, except that the Board shall only transfer \$1,000,000 to local capital and the remaining \$1,000,000 be maintained in unrestricted operating surplus.

Background

On September 14, 2022, staff recommended a number of allocations associated with the District's 2021-2022 end of year operating surplus. The Board will be voting on the item under section 14.1.3 of the agenda. This Information Sheet is intended to highlight an issue that has come to light as the District approaches its September 30 enrollment reporting date that has raised concerns about funding levels associated with enrollment. This Information Sheet outlines those concerns and provides an alternative recommended motion to the current motion before the Board from the Business Committee.

Background

Typically, staff create the District's annual budget using conservative enrollment forecasts. The enrollment is based on Baragar data as well as working with principals and DLS to choose a supportable number. In the current year, forecasting was slightly more difficult due to the unknown impact of COVID. Whether students continued the move back to physical schools or whether ICE enrollment would remain elevated, whether students we have not seen for some time would return, how strong would homeschooling be, and how large an international student population the District would have all were part of the considerations. In a normal year where the District is down in one area it typically is up in another. Unfortunately, while our overall population continues to grow, that growth is lagging our projections with the exception of ISE which continues to exceed targets. We note that our secondary headcount is in line with projections, and we are finalizing our FTE (which is currently lower). It should be noted that our bricks and mortar enrollment continues to increase but it is just slightly less than projections.

The Board is already voting to support approximately 1,000,000 in staffing contingency, however, for the sake of prudence we are recommending that the Board flow less money to local capital. If our recalculated Operating Grant in mid-December per actual confirmed student enrolment and funding levels does not see the district record a loss of revenue therefore does not require additional unrestricted surplus, the transfer to Local Capital could be made in alignment with the Amended Annual Budget in February 2023.

Final numbers will not be known until after the Board meeting. District staff are already in the process of determining the reasoning for the slightly softer than projection numbers at elementary (e.g. homeschool, regional affordability etc.) as any trend must be recognized for future budgets. Further, we are also examining programming to determine reasonable projections for future years to align with staffing requirements.

