



NANAIMO LADYSMITH PUBLIC SCHOOLS

BUSINESS COMMITTEE

ACTION SHEET

DATE: February 8, 2023
 TO: Business Committee
 FROM: Mark Walsh, Secretary-Treasurer
 SUBJECT: Financial Planning and Reporting Policy (FPAR)

Recommendation

That the Business Committee recommends that the Board of Education of School District No. 68 (Nanaimo-Ladysmith) receive the Draft Financial Planning and Reporting 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

This memo is intended to highlight the recommended Financial Planning and Reporting Policy as required by the Ministry of Education and Childcare and as discussed at the Policy Committee.

Discussion

In 2018, the Ministry of Education and Child Care appointed an independent panel to undertake a review of how public education is funded for the first time in approximately 30 years. The outcome was that the panel provide 22 recommendations, along with three themes: equity, accountability, and financial management. To understand what the recommendations would mean for students in the classroom, working groups were established in the spring of 2019 which included parents, teachers, inclusive education advocacy groups and indigenous education partners. In late October of 2019 final working group reports were provided which noted that some of the recommendations would be straightforward and others would require extensive work to ensure there would be no negative, unintended consequences for students.

[MOECC - Funding Model Independent Review Panel Final Report - 2018.pdf](#)

Initially, 12 of the 22 recommendations were implemented over a two-phase plan (specifically, 2, 3, 12, 13, 14, 15, 16, 17, 19, 20, 21 and 22) where recommendation 19 was:

To support multi-year financial planning, where:

- Government should issue three-year operating funding to Boards of Education, based on available funding and projected student enrolment, and
- School districts should be required to develop three-year financial plans

Although the Ministry of Education and Child Care has not committed to providing three-year operating grants in advance, there is now a requirement to develop three-year financial plans (not budgets) by Aug/Sept of 2023.

In advance of the first multi-year financial plan cycle, the ministry has also directed that Boards create a Financial Planning and Reporting Policy to guide the planning and creation process.

The Draft Policy being presented has been created with guidance from the Ministry of Education and Child Care; note the Ministry's Q&A for further reference:

[MOECC - Financial Planning and Reporting Policy Q&A.pdf](#)

Notably, at this time given funding from the Ministry of Education and Child Care is not guaranteed makes the 3-year financial plan more of a statement of intention rather than a plan. The idea is that the community would be able to see that the District's spending plans are aligned with their strategic plans.

Staff foresee the document that is created, as a result of the policy, as an education tool and an opportunity for the Board and community to be aware of broad trends in the district. For instance, in the event of future enrollment decline our community will be able to see upcoming challenges for the budget.

The policy ultimately aligns with Ministry requirements. The outcome, assuming that the policy passes in its current form will result in a three-year financial plan being created to align with the district's reporting of results in fall.

It should be noted that at this point given there is no specific 3-year funding guarantee the Policy is somewhat an exercise in compliance. It will serve an important purpose of highlighting future potential costs (e.g., the opening of a school) and provide a document that will spell out specific alignment of finances with the outcome of the ESL report in the fall.

The highlights are as follows:

- The Multi-Year Financial Plan is an organizational tool, not a budget
- Multi-Year revenues and expenses will be based on projections and estimates
- Any planned use of Accumulated Operating Surplus must be in accordance with Policy 2.16
- The Plan requires a fulsome community engagement process
- The Plan is renewable annually, requires Board approval and must be submitted to the Ministry of Education and Child Care by the prescribed due date

Appendix A: Draft Policy – Financial Planning and Reporting