

NANAIMO LADYSMITH PUBLIC SCHOOLS

EDUCATION COMMITTEE PUBLIC MEETING

INFORMATION SHEET

DATE: April 7, 2021
TO: Education Committee
FROM: Secretary-Treasurer, Mark Walsh
SUBJECT: 2021/22 Budget

Background

This information sheet is the next step in the budget process pursuant to the budget calendar published on our website and attached to this information sheet.

The focus of this presentation is on the Ministry of Education funding announcement of March 12, 2021. The Business Committee meeting on February 10, 2021 focused on our enrolment projections, which drive much of our funding. This meeting will focus on the Ministry's announcement applied to our projections. Essentially, this presentation focuses on Ministry provided revenue. It will also provide a reminder of how the budget is created.

The Business Committee meeting on April 14, 2021, will focus on our locally funded revenue, as well as a more solid view of our expected expenditures (and any anticipated deficit or surplus). Note that the budget is being prepared largely on a *status quo* basis with the exception of required contractual increases, inflation etc.¹ Any changes that will be presented to the Board during the April 28, 2021 Board meeting will be done from reallocations within current department budgets.

Discussion

Operating Budget

In February, staff provided the following chart which, as a reminder, illustrates the difference in estimated revenue from 2020-21 to 2021-22, based on our enrolment projections for 2021-22 but with no change to the funded rates per student category. Specifically, it is the estimated impact of the movement of students back to bricks and mortar as well as the anticipated number of students with diverse needs. We note that the number of students with diverse needs may increase over the year and funding would flow with them (particularly in the February 2022 count). These numbers are based on the preliminary student estimates.

¹ Please note that an important difference this year is the removal of the COVID related federal and provincial grants. This is a significant amount of funding being removed from the system. However, its removal was anticipated.

NLPS - 2021/22 Projected Enrolment vs. the 2020/21 Annual Amended Budget - Feb 16/21

September Enrolment	2021-22						
	Budget 21/22 FTE	Actual 20/21 AAB FTE	Change	RATES	Budget 21/22 \$	Actual 20/21 AAB \$	Change
Standard (Regular) Schools	13,851.990	13,154.375	697.615	7,560	104,721,044	99,447,075	5,273,969
Continuing Education	-	0.250	(0.250)	7,560	-	1,890	(1,890)
Alternate Schools	255.000	237.000	18.000	7,560	1,927,800	1,791,720	136,080
Distributed Learning	248.625	911.875	(663.250)	6,100	1,516,613	5,562,438	(4,045,825)
Home Schooling	45.000	83.000	(38.000)	250	11,250	20,750	(9,500)
Course Challenges	-	-	-	236	-	-	-
<i>*HS/CH FTE not included</i>	14,355.615	14,303.500	52.115		108,176,707	106,823,873	1,352,834
Level 1 Special Needs	15.000	16.000	(1.000)	43,000	645,000	688,000	(43,000)
Level 2 Special Needs	465.000	488.000	(23.000)	20,400	9,486,000	9,955,200	(469,200)
Level 3 Special Needs	245.000	245.000	-	10,300	2,523,500	2,523,500	-
English Language Learning	920.000	970.000	(50.000)	1,520	1,398,400	1,474,400	(76,000)
Aboriginal Education	2,310.000	2,330.000	(20.000)	1,500	3,465,000	3,495,000	(30,000)
Adult Education	4.500	5.250	(0.750)	4,823	21,704	25,321	(3,617)
Equity of Opportunity Supplement					757,024	757,024	-
Total September enrolment	14,360.115	14,308.750	(0.750)		18,296,628	18,918,445	(621,817)
Other Funding Categories							
Salary Differential Supplement					2,918,143	2,918,143	-
Unique Geographic Factor Supplement					3,305,467	3,305,467	-
Education Plan Supplement					128,563	128,563	-
<i>February Data Count (New SPED/DL/ELL)</i>					977,974	977,974	-
<i>May Data Count (New DL Only)</i>					506,116	506,116	-
<i>2021/22 Full Year Operating Grant</i>					134,309,597	133,578,580	731,017
<i>Indigenous Services Canada Recovery</i>					(1,174,655)	(1,174,655)	-
2021/22 Final Operating Grant					133,134,942	132,403,925	731,017
Total FTE all categories	14,360.115	14,308.750	51.365				
Total School Aged Enrol	14,355.615	14,303.500	52.115				
Total Adult Enrol	4.500	5.250	(0.750)				
Total Enrol	14,360.115	14,308.750	51.365				
Change			51.365				731,017

Subsequent to February's financial update, on March 12, 2021, the Ministry of Education announced the preliminary Operating Grant amounts, confirming the rates that our projected enrolment will be based on, as presented in the next chart. As noted previously, these projections are conservative so if we see higher enrollment, we will receive more funding for these students. Increased revenue associated with higher enrolment typically funds the staffing necessary to provide service to the additional students.

It is important to note that the funding announcement is preceding the provincial budget. Therefore, it is subject to change, although it is highly unlikely that the budget would decrease these amounts. Notably, there is no "new" spending in the sense that there are no major changes or newly funded program areas. Theoretically, there could be new monies in the budget but at this point we have no information on this issue.

Overall, outside of funding for the collective agreement increases (labor settlement funding), there is no significant change in funding. For instance, the District will still receive its inequitable Pay Equity amount. Moreover, there is no recognition of inflation nor exempt or principal or vice-principal salary increases. We note that this is not out of the ordinary.

The bottom line for the District is that after the new funding amounts are applied to our projected enrolment, we anticipate an increase of \$5.6 million to our operating grant (special purpose grants do not appear in this chart).

September Enrolment	2021-22				
	Projected Enrol 21/22 (FTE)	RATES	MOE Grant Update Mar 12	Budget 21/22 per projected enrol prior to MOE grant update	Change
Standard (Regular) Schools	13,851.990	7,885	109,222,941	104,721,044	4,501,897
Continuing Education	-	7,885	-	-	-
Alternate Schools	255.000	7,885	2,010,675	1,927,800	82,875
Distributed Learning	248.625	6,360	1,581,255	1,516,613	64,643
Home Schooling	83.000	250	20,750	11,250	9,500
Course Challenges	-	246	-	-	-
<i>*HS/CH FTE not included</i>	14,355.615		112,835,621	108,176,707	4,658,914
Level 1 Special Needs	15.000	44,850	672,750	645,000	27,750
Level 2 Special Needs	465.000	21,280	9,895,200	9,486,000	409,200
Level 3 Special Needs	245.000	10,750	2,633,750	2,523,500	110,250
English Language Learning	920.000	1,585	1,458,200	1,398,400	59,800
Aboriginal Education	2,310.000	1,565	3,615,150	3,465,000	150,150
Adult Education	4.500	5,030	22,635	21,704	932
Equity of Opportunity Supplement			831,482	757,024	74,458
Total September enrolment	14,360.115		19,129,167	18,296,628	832,540
Other Funding Categories					
Salary Differential Supplement			2,928,618	2,918,143	10,475
Unique Geographic Factor Supplement			3,340,508	3,305,467	35,041
Education Plan Supplement			128,732	128,563	169
<i>February Data Count (New SPED/DL/ELL)</i>			1,019,806	977,974	41,832
<i>May Data Count (New DL Only)</i>			527,720	506,116	21,604
<i>2021/22 Full Year Operating Grant</i>			139,910,172	134,309,597	5,600,575
<i>Indigenous Services Canada Recovery</i>			(1,174,655)	(1,174,655)	-
2021/22 Final Operating Grant	14,360.115		138,735,517	133,134,942	5,600,575
Change					5,600,575

Of that funding, after we account for the contractual increase in teacher and CUPE salaries, there is only approximately \$400K of new Ministry of Education money remaining to address all other salary and inflationary increases; as summarized below.

Summary of Enrolment Change and MOE Operating Grant Update

Total increase in Revenue per Enrolment projection for 21/22, over 2020/21	731,017
Total Increase in Revenue per Ministry of Education's confirmation of the 21/22 Operating Grant, over enrolment increase	5,600,575
Combined Increase to the Operating Block	6,331,592
Less removal of 2020/21 Labor Settlement Funding which was outside the block but now within	(3,645,082)
Total Increased Revenue	2,686,510
Less the direct Indigenous Ed Target Expense	(150,150)
Adjusted gain to the Operating Block to fund CUPE/NDTA general wage increases per CA language	2,536,360
Less CUPE wage increase (2%)	(549,568)
Less Teacher Wage Increase (2%)	(1,585,655)
Total wage increases	(2,135,223)
Balance remaining	401,137

However, it is important to remember that this is the Ministry of Education's operating grant. Therefore, if there is additional local funding (e.g. rentals and leases, ISE etc.) the impact of those funds will be presented in a weeks' time.

Some of the additional cost pressures that the district must fund are noted below, however these figures are still preliminary, finalized figures will be provided at the next meeting.

Additional Budget adjustments (some complete, some pending)

2% Exempt salary increase	191,000
2% Principal/Vice Principal salary increase	205,000
Trustee salary increase	TBD
Benefit rate adjustment	TBD
School based staffing update per current year enrolment projections	456,347
School Operating budget update per current year student enrolment projections	68,000
General Inflationary costs	TBD
Savings due to one-time expenses not required in future year (not finalized)	(450,000)
Update to District Contracts/Technology Licences	TBD
Other required adjustments per the audit of prior to current budget	TBD

Special Purpose Funding

The most significant change in the budget this year will be the removal of the COVID Federal and Provincial Funding envelopes. The removal of these dollars will mean that all the temporary staffing supported by the funding will be removed, however, this has been anticipated since the announcement of the funds.

We note that there has been some demand for increased cleaning that was supported from the special purpose funds. During the budget deliberations, staff will present potential sources of funding to support additional cleaning. These proposals would be funded from surplus (if available) so a final decision would not be made until following the budget process. (Our year end is June 30).

Further, the Ministry has now confirmed they will once again only fund 90% of the current year's CEF envelope for the preliminary 2021/22 budget which requires the reduction of teacher staffing until actual needs are determined in September.

The overall change in staffing (FTE) will be presented in the budget presentations on April 28th, as staff are still finalizing numbers, however, the chart below provides the revenue reduction applicable to the most significant special purpose funds, for your information.

Summary of Change in Special Purpose Funds

Fund	Revenue +/-	Reason	Impact
Classroom Enhancement Fund Staffing	(1,041,317)	Reduced to 90% of prior year	Reduced Teacher Staffing
Classroom Enhancement Fund Remedy	(253,125)	20/21 funding removed	N/A as amount required for 21/22 will be determined and provided by the MOE in the fall of 2021
COVID Federal	(5,481,682)	Fund not applicable to 21/22	Removed Teacher, Custodial, EA, and Bus Staffing as well as Misc. COVID related resource accounts
COVID Provincial	(1,068,252)	Fund not applicable to 21/22	Removed Custodial Staffing and COVID related cleaning and PPE resource accounts
Community LINK	50,665	Increase in funding	Offset the increase in Teacher and CUPE salaries
Learning Improvement Fund	(1,360)	Reduction in funding	Reduced funding and 2% CUPE wage increase means less EA support by this Fund