



CAMPBELL RIVER
School District 72

Budget Toolkit

Preliminary Budget Development Process

2022-2023

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DEVELOPMENT TIMELINE

This year's budget process has more time between budget function meetings to allow stakeholders time to review and discuss budget possibilities. Emphasis will continue to be placed on individual feedback.

Tuesday, April 5, 2022	Public Board Meeting - Update on Budget Progress/Priorities
Wednesday, April 6, 2022	School Leadership Team Meeting
Thursday, April 7, 2022	Budget Function Committee Meeting
Thursday, April 14, 2022	Student Budget Consultation Session
Tuesday, April 19, 2022	Senior Management Team Meeting - Draft Recommendations
Wednesday, April 20, 2022	Consultation with Indigenous Partner Groups
	Parent Advisory Group meeting
Tuesday, April 26, 2022	Senior Management Team Meeting - Set Recommendations
	Budget Function Committee Meeting
Tuesday, May 3, 2022	Senior Management Team Meeting - Review Draft Budget
	Public Board Meeting - Review Draft Budget
Wednesday, May 4, 2022	Indigenous Partner Groups - Review Draft Budget
	School Leadership Team Meeting - Review Draft Budget
Tuesday, May 17, 2022	Special Board Meeting - Final Budget Presentation
Tuesday, May 31, 2022	Public Board Meeting - Adoption of the Preliminary Budget

BOARD GOVERNANCE

The Board of Education has committed to:

- **Moving away from a management board structure to a strategic policy governance model;**
- **Having clear roles of trustees and senior management;**
- **Focusing the work of the board on big picture district-wide goals that are aligned with Ministry of Education expectations and clearly linked to the improvement of student learning;**
- **Reviewing and updating the district strategic plan as it is informed by consultation with internal and external stakeholders; and**
- **Annually monitoring the effectiveness of the board and the superintendent as measured against the district goals identified in the strategic plan.**

What does this mean for the budget?

The board does not make line-by-line decisions on budget items. The budget will be prepared by senior management in consultation with stakeholders and presented to the board for approval. Staff will have to show how changes to the budget have taken into account stakeholder feedback and align with the board's strategic plan.

What is the role of the budget function committee, PACs, principals and invited stakeholders?

The role of key stakeholders continues to be an important component of the budget development process. The board has provided both senior staff and the budget function committee with greater input for decisions. Stakeholders can provide first-hand feedback on the impacts of budget decisions and help identify emerging priorities.

STRATEGIC PRIORITIES

The board's strategic plan was re-imagined in June 2019. It was developed in consultation with stakeholder input and serves as our road map to focus our decision-making.

PRIORITY ONE

Improve student achievement.

Goals:

- Students will fully meet or exceed expectations in literacy and numeracy. (Proficient or extending on the Ministry of Education's proficiency scale.)
- Students will have improved graduation rates.
- Indigenous and non-Indigenous students will have equity across all measures.
- Staff will provide parents and the community with clear and consistent achievement data.

PRIORITY TWO

Build a culture of learning and wellness.

Goals:

- Staff will work together to develop cohesive teams, across all roles and sites, to ensure that we deliver on the expectations of our community and provide the best education and learning environment for our students.
- District management will develop a framework to support students and staff mental health and well-being.
- Staff will be empowered, individually and collectively, to positively contribute to the district with a clear purpose and personal accountability.

PRIORITY THREE

Honour Indigenous worldviews and perspectives.

Goals:

- Students will learn in ways that incorporate Indigenous ways of knowing and doing.
- Students, parents and staff will have opportunities to learn about the contribution and culture of the Indigenous peoples that reside within this territory.
- Staff will continue to strengthen relationships with local Indigenous peoples to build greater cultural understanding and belonging within school.

GUIDING PRINCIPLES

In collaboration with senior management, the Board of Education has developed the following guiding principles which, in their entirety, will ensure the best educational and financial decisions for our students. (Approved by board motion on February 22, 2022)

The Board of Education and senior management are committed to basing the budget process and decisions on the following guiding principles:

- We will use a budget development process that is respectful, open and consultative with all educational partners: employees, parents, schools, and the community.
- We will ensure that resources, whether they are human, material or technological, are allocated to best support student learning.
- We will be comprehensive and open when communicating budget information; we will provide all budget facts.
- We will ensure that budget decisions reflect the district's strategic plan and district priorities for learning and support services.
- We will plan annually to manage the contingency reserve level, allowing us to ensure operational effectiveness and to manage the risks toward our school district and student learning.
- We will ensure that school district initiatives not within our K-12 mandate are at least cost-neutral.*
- We will continuously strive to achieve efficiencies as a school district.
- We will continue to build student success through the attraction, development and retention of employees who share our values of learning, collegiality and respect.
- We will approve a budget with integrity, taking into account the elements of fairness and equity.

*Examples of school district initiatives not within our K-12 mandate would be educational services identified as outside our mandate under the School Act and our core services (i.e. continuing education and the international program).

ENROLLMENT

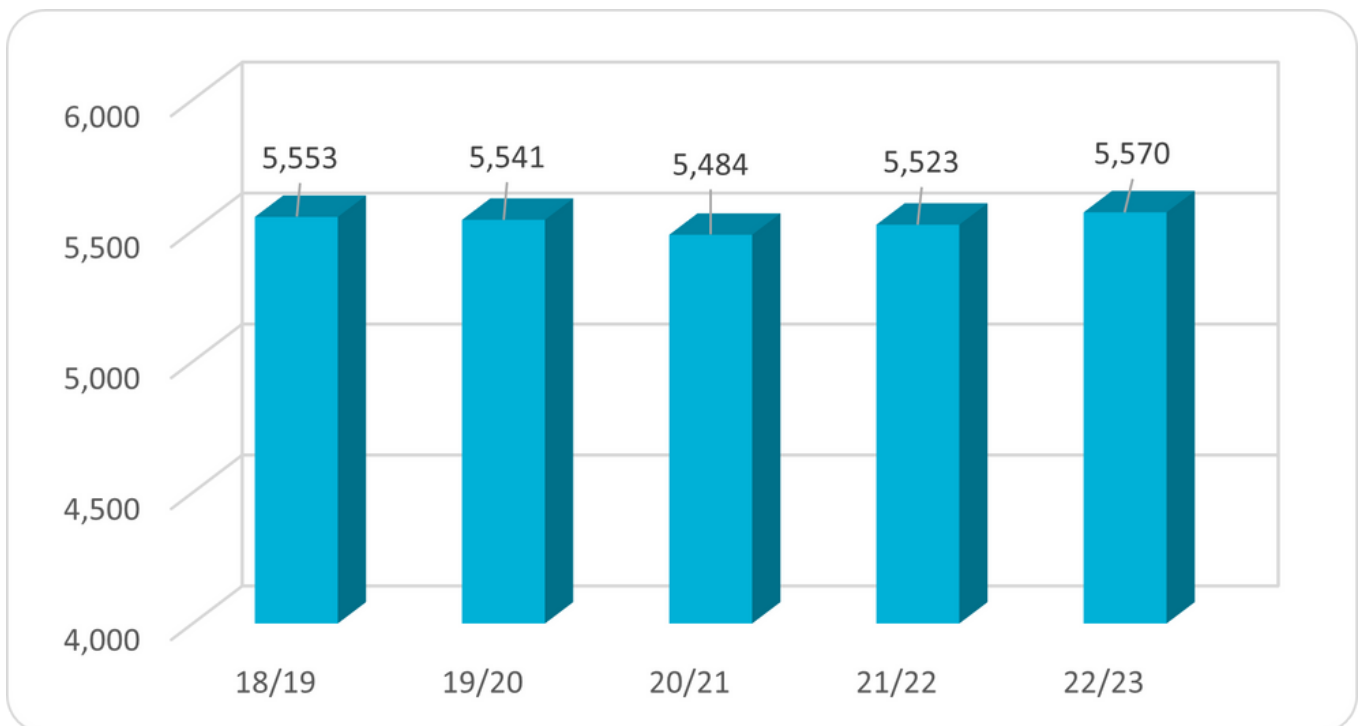


CHART 1.1 SD72 HISTORICAL AND FORECASTED ENROLLMENT

District enrollment continues to remain relatively flat. We have a forecasted increase of 47 FTE students for the 2022-2023 school year.

BUDGET POSITION

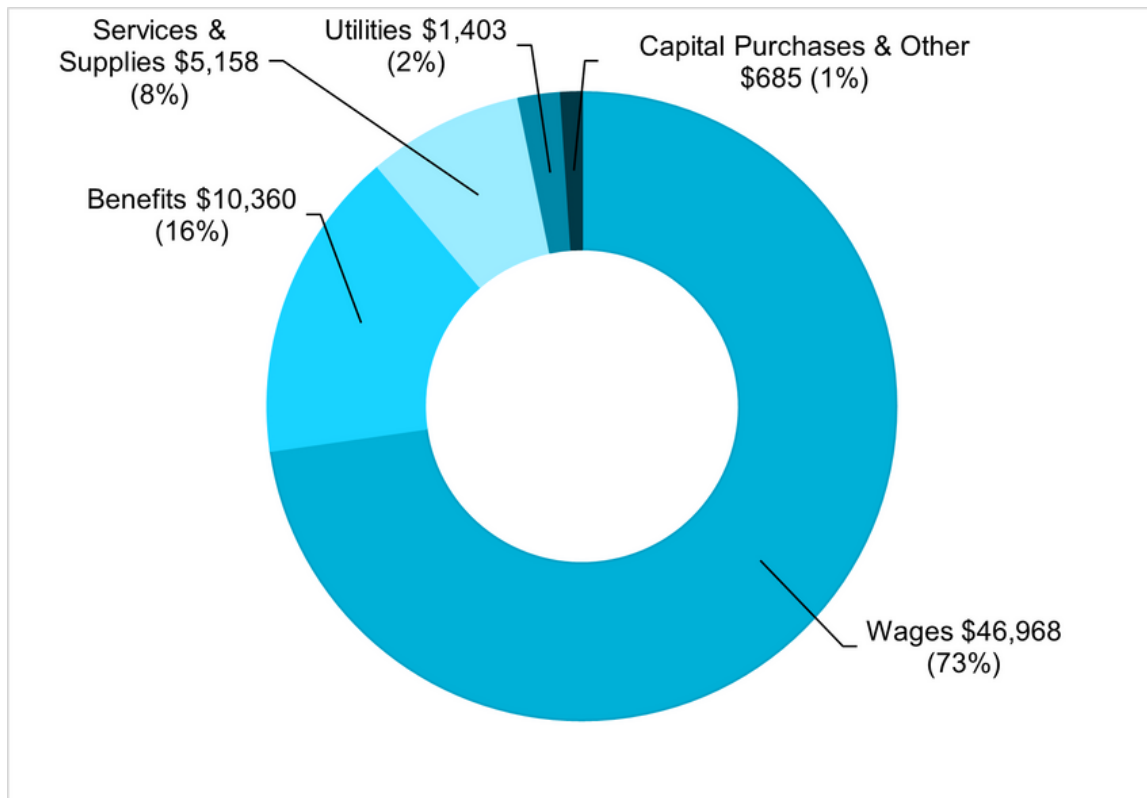


CHART 2.1 BUDGETED EXPENSES BY TYPE

Wages	\$46,968,000
Benefits	\$10,360,000
Services & Supplies	\$5,158,000
Utilities	\$1,403,000
Capital Purchases & Other	\$685,000

BUDGET POSITION

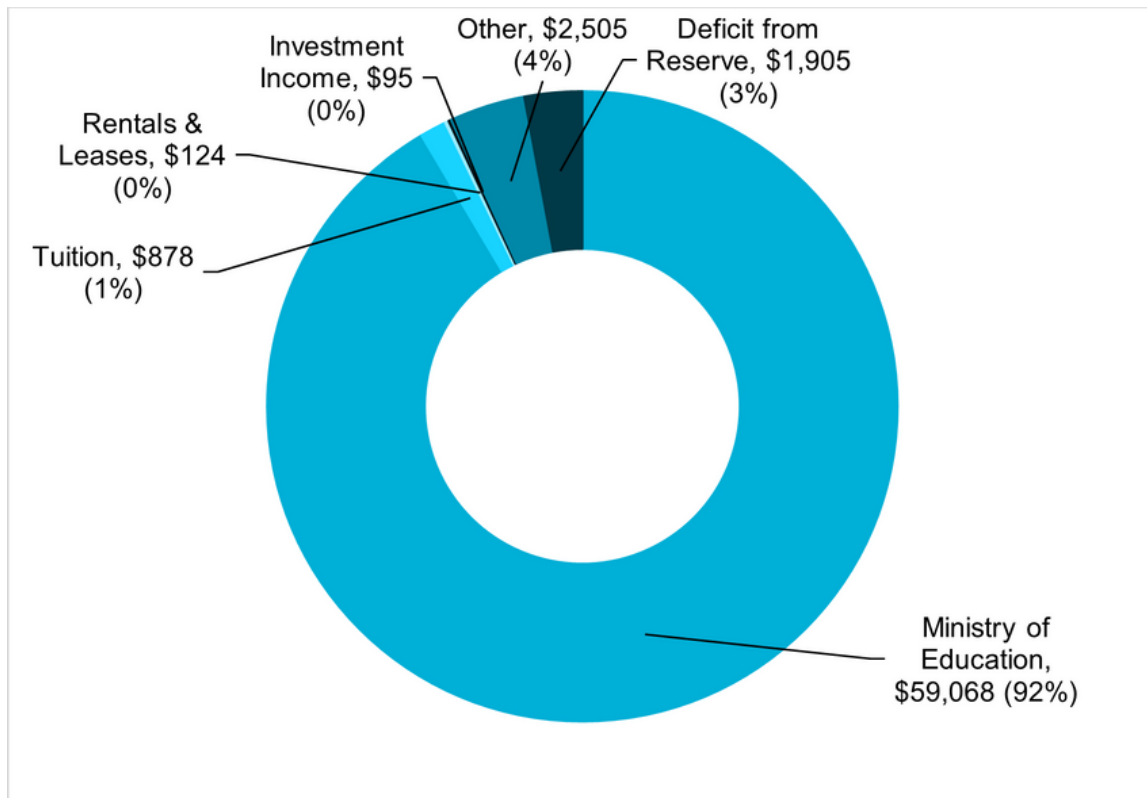


CHART 2.2 BUDGETED REVENUE

Ministry of Education	\$59,068,000
Other	\$2,505,000
Deficit from Reserve	\$1,905,000
Tuition	\$878,000
Rentals & Leases	\$124,000
Investment Income	\$95,000

OPERATING EXPENSES

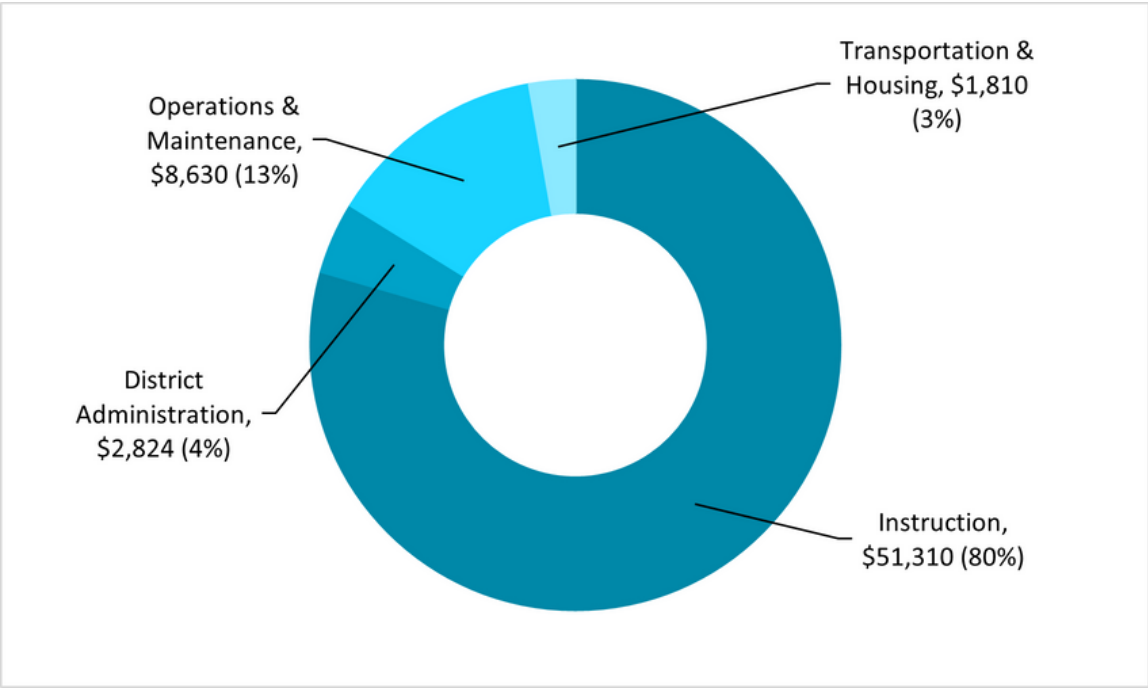


CHART 2.3 OPERATING EXPENSES BY FUNCTION

Instruction	\$51,310,000
Operations & Maintenance	\$8,630,000
District Administration	\$2,824,000
Transportation & Housing	\$1,810,000

OPERATING EXPENSES

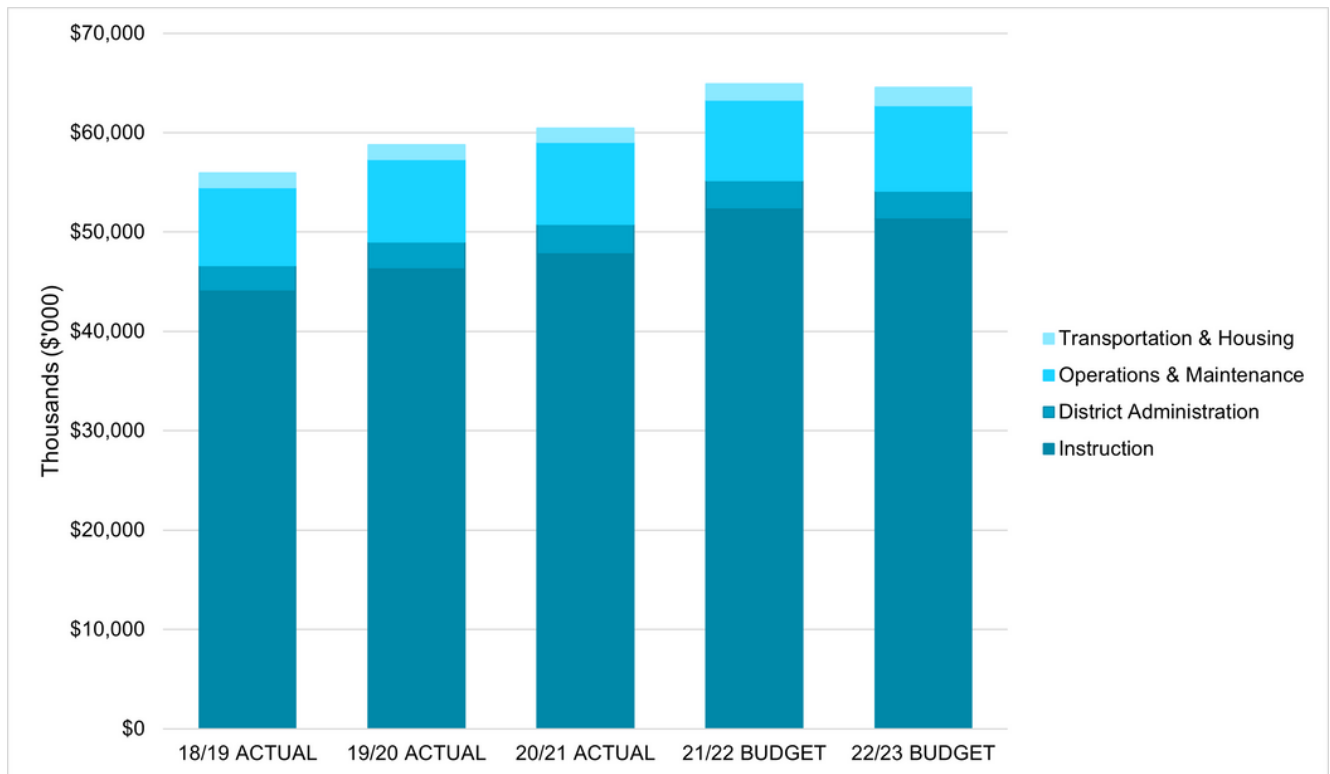


CHART 2.4 OPERATING EXPENSES BY FUNCTION COMPARISON

	18/19 Actual	19/20 Actual	20/21 Actual	21/22 Budget	22/23 Budget
Instruction	\$44,050,000	\$46,301,000	\$47,791,000	\$52,317,000	\$51,310,000
District Administration	\$2,558,000	\$2,702,000	\$2,978,000	\$2,851,000	\$2,824,000
Operations & Maintenance	\$7,864,000	\$8,336,000	\$8,283,000	\$8,150,000	\$8,630,000
Transportation & Housing	\$1,494,000	\$1,460,000	\$1,401,000	\$1,608,000	\$1,810,000

CHART 3.1 PRELIMINARY BUDGET 2022-2023

	FINAL	PRELIM	Variance	
	PRE-APPROP 2021/22	BUDGET 2022/23	Prelim 22/23 to Final Pre- Approp 21/22	
SALARIES AND BENEFITS				
TEACHERS	27,211,040	27,238,661	27,621	0%
CUPE	11,960,298	12,049,802	89,504	1%
ADMINISTRATIVE STAFF	5,887,129	5,775,109	(112,020)	-2%
ADMIN PREP	20,924	20,924	0	0%
TEACHERS SICK LEAVE	907,983	1,497,820	589,837	65%
TEACHERS PRO D	251,936	286,936	35,000	14%
TRUSTEES	99,140	99,140	0	0%
BENEFITS	10,223,488	10,359,578	136,090	1%
TOTAL SALARIES AND BENEFITS	56,561,937	57,327,970	766,033	1%
Benefits as % of all salaries	0.2206	0.2206	(0)	-0.03%
SERVICES				
PROFESSIONAL SERVICES	346,210	406,912	60,702	18%
TRANSPORTATION ASSISTANCE	72,800	72,800	0	0%
TRAINING AND TRAVEL	499,509	494,776	(4,732)	-1%
RENTAL OF FACILITIES	79,435	69,700	(9,735)	-12%
DUES AND FEES	53,635	60,900	7,265	14%
INSURANCE	148,187	138,000	(10,187)	-7%
CONTRACTS	943,755	1,094,698	150,942	16%
OFFICE AND COMMUNICATIONS	401,251	411,187	9,936	2%
RECOVERY OF BAD DEBTS				
TOTAL SERVICES	2,544,783	2,748,973	204,191	8%
SUPPLIES				
INSTRUCTIONAL	895,272	702,960	(192,312)	-21%
MAINTENANCE	1,023,081	1,187,130	164,049	16%
GROUND	214,110	244,360	30,250	14%
BOOKS AND GUIDES	275,000	275,000	0	0%
TOTAL SUPPLIES	2,407,463	2,409,450	1,987	0%
UTILITIES				
FUEL	1,171,451	1,217,770	46,319	4%
WATER AND SEWAGE	115,000	114,195	(805)	-1%
GARBAGE	94,360	70,940	(23,420)	-25%
TOTAL UTILITIES	1,380,811	1,402,905	22,094	2%
EQUIPMENT (REPLACE & CURRIC)	455,009	485,009	30,000	7%
TOTAL EXPENDITURES	63,350,003	64,374,308	1,024,305	2%

CHART 3.1 PRELIMINARY BUDGET 2022-2023

	FINAL	PRELIM	Variance	
	PRE-APPROP	BUDGET	Prelim 22/23 to Final Pre-	
	2021/22	2022/23	Approp 21/22	
REVENUE				
SURPLUS				
CONSOLIDATED REVENUE GRANT	60,560,766	60,647,353	86,587	0%
Transportation Supplement	316,860	316,860	0	0%
Support Staff Benefits Grant	61,931	61,931	0	0%
Less: LEA Agreements	(1,909,300)	(2,046,112)	(136,812)	7%
OTHER MIN EDUCATION GRANTS-Pay Eq/etc	88,200	88,200	0	0%
LEA AGREEMENTS	1,909,300	2,046,112	136,812	7%
NORTH ISLAND COLLEGE	144,000	144,000	0	0%
SCHOOL DISTRICT NO. 93	236,587	236,587	0	0%
TUITION FEES	742,500	877,500	135,000	18%
MISC FEES & REVENUES	141,126	78,126	(63,000)	-45%
COMMUNITY USE OF FACILITIES/LEASES	124,000	124,000	0	0%
INTEREST ON TERM DEPOSIT	95,000	95,000	0	0%
TOTAL REVENUE	62,510,970	62,669,557	158,587	0%
LESS:				
LOCAL CAPITAL	250,000	200,000	(50,000)	-20%
TOTAL OPERATING REVENUE	62,260,970	62,469,557	208,587	0%
OPERATING SURPLUS (DEFICIT)	(1,089,033)	(1,904,751)	(815,718)	75%
PSAB CAPITAL SURPLUS (Deficit)				
Special Purpose Fund:				
Classroom Enhancement Fund	3,599,406	3,542,909	(56,497)	-2%

BUDGET CONSIDERATIONS

The following information is provided to assist in understanding the overall budget considerations.

Operating Budget

(Thousands (\$'000))	18/19 ACTUAL	19/20 ACTUAL	20/21 ACTUAL	21/22 BUDGET	22/23 BUDGET
Revenue					
Ministry of Education	\$53,371	\$55,684	\$56,816	\$58,982	\$59,068
Tuition	\$583	\$739	\$437	\$743	\$878
Other Revenue	\$2,298	\$2,415	\$2,489	\$2,568	\$2,505
Rentals & Leases	\$127	\$123	\$119	\$124	\$124
Investment Income	\$327	\$267	\$133	\$95	\$95
Total Revenue	\$56,706	\$59,229	\$59,992	\$62,511	\$62,670
Expenses					
Salaries & Benefits	\$48,794	\$51,956	\$53,654	\$57,622	\$57,328
Services & Supplies	\$7,171	\$6,842	\$6,799	\$7,305	\$6,561
Total Expenses	\$55,965	\$58,799	\$60,453	\$64,927	\$63,889
Capital Purchases & Other	\$1,269	\$1,021	\$799	\$775	\$685
Surplus (Deficit) for the Year	(\$528)	(\$591)	(\$1,260)	(\$3,191)	(\$1,905)
Accumulated Surplus (Deficit), Beginning of Year	\$6,952	\$6,423	\$5,833	\$4,573	\$1,382
Use of Prior Year Appropriated Surplus	(\$528)	(\$591)	(\$1,260)	(\$3,191)	(\$1,905)
Accumulated Surplus (Deficit), End of Year	\$6,423	\$5,833	\$4,573	\$1,382	(\$523)

Funding Formula Change

The Ministry of Education has developed a new funding formula for the K-12 sector. An independent panel sought feedback from provincial stakeholders and developed a recommendation report that was released in December 2018. The non-monetary recommendations from the funding formula review were in place July 1, 2020. The funding-related recommendations have been deferred indefinitely.

BUDGET CONVERSATIONS

Enrollment

Student enrollment is forecast to increase by 47 FTE for 2022-2023.

- This increase of 47 FTE is after a 103 FTE reduction in 2020-2021 due to COVID-19.
- We are expecting to see a decrease in distributed learning from 77.625 FTE to 59 FTE and a decrease of Continuing Education from 39 FTE to 8 FTE.
- There is also an expected reduction of special needs students to four in level 2 and 14 students at level 3.

Classroom Enhancement Fund

Effective 2017 a re-implementation of the 2001 teacher contract language was required. The Classroom Enhancement Fund (CEF) funded 33.235 FTE teaching staff in the amount of \$3,251,249. This provides funding for classroom teachers, teacher-librarians, counsellors, special education staff and administration costs. This funding is only available through an application process and an application will be required for the 2020-2021 school year. The number of positions supported by CEF varies from year-to-year. The current budget is for 33.235 FTE. If the actual FTE is lower, this will negatively impact the budget as a reduction from CEF requires the funds to be covered from the operating budget.

Student Transportation Grant

For the 2016-2017 school year the Ministry of Education provided school districts with a transportation grant to eliminate bus fees. School districts that did not charge bus fees were able to use the funds for other transportation related expenses. SD72 surveys our principals each September for feedback. Based on this and other feedback, senior management will then prioritize needs. This fund will be available for 2022-2023. The priorities for past years are as follows:

Student Transportation Grant	2020/21	2021/22
	\$ 316,860	\$316,860
Item	Amount	Amount
Public Transit Pass	20,000	20,000
Additional stop on bus route	0	0
Equipment	0	0
Field Trips	123,000	123,000
Parking Lot Improvements	167,360	167,360
Bus Drop-off Supervision	6,500	6,500
	316,860	316,860

Staffing

Classroom enhancement positions are funded by the Ministry of Education and will be tracked in trust accounts. Salary increases for support staff have been included. Teacher salary increases will be included in the final budget. The revenue increase to cover wages will be included in the final budget. Exempt salary increases are not funded and have not been determined or included in the budget.

Facility Review

The facility review was completed in December 2015. There were seven recommendations over three phases for 2016 to 2025.

Outstanding recommendations are:

- Renew Cedar Elementary School.
- Change elementary school catchment (boundary) areas.
- Examine the viability of a new secondary school.

The board has decided to update the facility plan during the 2022-2023 school year.

Use of Surplus

The board uses its surplus to financially support many programs and services for the year. The board typically uses one-third of the surplus to cover deficit spending. The board also restricts surplus funds at the fiscal year end for the next year's spending. These items include additional amounts for school growth, learning resources, school and maintenance equipment.

Responding to the Ministry of Education's financial health recommendations, the surplus policy now limits items assigned to internally restricted funds to expenses that are not expected to last longer than three years.

With the significant cost increases due to COVID-19 and inflation, the forecasted surplus will be reduced to \$1.3 million and the emergency contingency will be \$230,000. The volatility of inflation is making estimates difficult. The uncertainty of inflation and normalized sick use, combined with the reduction in emergency contingency and surplus is causing management to not recommend using any surplus to cover deficit

spending for 2022-2023. Once inflation and sick use stabilizes, we will be in a better position to estimate expenses.

Teacher Coordinator Positions

In pursuit of achieving priority one, improving student achievement, senior management re-positioned 5.0 FTE teacher positions and added 2.0 FTE new teaching positions in 2020-2021 to existing coordinator positions.

These positions are board funded:

- 3.0 FTE literacy intervention
- 1.0 FTE information technology
- 0.9 FTE opportunities & options
- 0.8 FTE healthy schools
- 0.8 FTE district librarian
- 0.5 FTE mentorship

These positions are externally funded:

- 1.0 FTE Indigenous Education
- 0.7 FTE physical literacy
- 0.5 FTE district French
- 0.5 FTE Pro-D
- 0.5 FTE ELL/ESD

Indigenous Education Funding

The Indigenous education targeted funding increased by 2.5% for 2021-2022. Indigenous education is targeted and must be spent on Indigenous education.

Notable Changes

Impacts from COVID-19

In 2020-2021 the initial impacts of COVID-19 were reduced enrollment grants and international revenue, increased cleaning costs and additional staffing to support remote learning options for students. The Ministry of Education and the federal government provided an additional \$2.5 million in funding that offset revenue losses and cost increases.

The 2021-2022 school year saw safety protocols that allowed for staffing similar to pre-COVID levels. The board provided additional funding of \$323,000 for enhanced cleaning and planned to use the emergency contingency to cover increased sick leave costs.

Provincial restart and board provided funding allowed for additional daytime cleaning in the elementary schools. This funding is no longer available and the cleaning schedule will revert back to the regular cleaning allocation.

As schools returned to more standard operations, we saw 50% to 250% increases in monthly sick leave costs. It is expected that staff will continue to follow health advice to stay home when sick and that we will continue to have a forecasted increase in sick leave costs by 50% or \$500,000 for 2022-2023.

Inflation

World events have seen inflation dramatically increase over the past year. This has impacted both the final 2021-2022 budget and will impact estimates for 2022-2023. It is expected that inflationary costs will impact software licensing and most cost of goods. The provincial average inflation was identified as

2.9%, however supply chain issues have led to increases up to 10% for some goods. An example is fuel costs which have increased by 50% and will be combined with increased travel post-COVID.

The Ministry of Education does not fund inflationary cost pressures. Some of the accounts that have had to be adjusted are:

- Software licensing
- Fuel
- Vehicle maintenance and repair

International Program

The international program had reduced enrollment throughout the pandemic but was able to maintain staffing through the use of its program surplus. This allowed the program to continue recruitment efforts with a forecasted enrollment increase back to 65 FTE for 2022-2023. This program supports additional teacher staffing and ELL supports to the secondary schools.

Continuing Education

The district had maintained a well resourced Continuing Education program through 2021-2022 with two teachers and two educational assistants. Unfortunately, student enrollment has continued to decline and is estimated to be 15 FTE in 2022-2023. The decision has been made to reduce the educational resources to match the enrollment. The program will be supported with 0.2 FTE staffing with additional support provided by Robron staff, should needs change.

Notable Changes cont'd.

Distance Learning

A proposed funding formula change from the Ministry of Education was to regionalize grade 10-12 distance learning courses to five distance learning centres across the province.

In preparation for this change, the district stopped providing grade 10-12 distance learning courses in 2021-2022, which resulted in a reduction of 30 FTE.

However, the K-9 distance learning program has grown from 28 FTE up to 65 FTE and is forecasted to be 45 FTE in 2022-2023. This shift in enrollment reduces the secondary teaching resources and increases eBlend teaching resources.

Early Layoffs

With the size of the deficit next year (\$1.9 million) it is likely that some staffing will need to be reduced. Waiting until after the board approves the budget on May 31 would prevent impacted teachers from posting opportunities. Therefore, management may decide to reduce some teacher positions and provide notification before May 31. Any decisions will be made in consideration of the feedback received to that date. Final approval of the reductions would be made by the board at the May 31 public meeting and if the board rejects the layoffs, the district could re-hire the impacted positions.

The information contained within this toolkit is meant for consideration and not to direct input. Please consider how these items reflect our long-term goals, our strategic plan and priorities, and how we can use the board's guiding principles to bring forward the best recommendations for the system and our students.

The budget process is to consider service needs suggestions, as well as other suggestions that you might have.

We want to make efficient use of our resources. As you consider your recommendations ask yourself:

- **Do our resources align with the school district's strategic priorities of improving student achievement, building a culture of learning and wellness, and honouring Indigenous worldviews and perspectives and the goals within each of those priorities?**
- **Do our staffing levels honour the needs of students?**
- **Are there opportunities to improve services while reducing costs?**