Staff Report to the Board of Education

April 6, 2022

2022-2023 BUDGET - SUPERINTENDENT'S DRAFT RECOMENDATIONS

Adrian Johnson, Acting Secretary-Treasurer

1 OVERVIEW

The staff report on the 2021-2022 Amended Budget Composition of Revenue and Expenditure presented to the Board on January 19, 2022 provides details on this school year's budget.

This document outlines the Superintendent's draft recommended changes to the budget for the 2022-2023 school year.

Change $	Description
Revenue	
547,000	Additional grant revenue from forecast increase in enrolment
788,000	Additional grant revenue from forecast increase in number of students with funded special needs designations
1,335,000	Forecast total increase in revenue
Expenses	
356,000	Increase in expenditure associated with forecast increase in enrolment
778,000	Increase in expenditure associated with increase in number of students with funded special needs designations
27,000	Other operational changes
402,000	Inflationary pressures
-500,000	Alignment of International Budget with expenditure plans.
-2,684,000	Remove current year allocations associated with utilising restricted reserves
-487,000	Remove expenditures approved by the Board for the 2021/22 school year only
-2,108,000	Reduction in expense budget
3,443,000	**Overall change**

2 DRAFT RECOMMENDED CHANGES

2.1 IMPACT OF ENROLMENT INCREASES

Staff forecast that enrolment will increase by 98 students at in-person schools and decline by 35.5 students in online learning. The forecast in-person enrolment increase is consistent with trends experienced over the past five years. The decline in online learning reflects an assumption that students will begin to move back to in-person learning as the pandemic eases.

This forecast overall increase in enrolment generates **$547,000** of forecast additional grant revenue.

The Superintendent recommends the following changes to accommodate this increase in enrolment:

Cost $	Description
314,000	Estimate of additional classroom teachers to accommodate increased enrolment (about 3 FTE)
12,000	Additional school services and supply allocations based on existing budget allocation formulas
30,000	Increase in 0.5 FTE of custodial time to address maintenance impact of more divisions.
356,000	**Total**

2.2 IMPACT OF INCREASE IN THE NUMBER OF STUDENTS WITH FUNDED SPECIAL NEEDS DESIGNATIONS

The number of students with funded special needs in the School District increased between September and February. Staff forecast that the District will have the same number of students with funded special needs in September 2022 as we currently do. This translates into additional funding of **$788,000.**

The Superintendent recommends the following changes to accommodate this increase in designated students:

Amount $	Description
310,000	About eight additional Education Assistant (EA) positions to support the additional needs. The existing budget allocation formula drives an increase of 10 positions. The 2022 budget added an additional two EA positions to the base allocation, in addition to formula generated increases. This recommendation reverses last year's base increase, leading to a net increase of eight positions.
209,000	Additional SBRT positions (2 FTE). The existing budget allocation formula calculates an increase of 2.4 FTE. The 2022 budget added 3 FTE to the base SBRT allocation, in addition to formula generated increases. This recommendation reverses 0.4FTE of that addition, which staff will implement this by reducing the itinerant SBRT FTE to reflect feedback received on the importance of school-based positions.
108,000	An additional psychologist position, maintaining the psychologist position that the Board authorized for the 2021/22 school year only. This will assist in ensuring that students are able to be assessed in a timely manner.
151,000	An additional 0.1 FTE admin time (half a day a week) per elementary school. In this context, admin time represents the amount of time allocated to a Principal or Vice Principal (PVP) to fulfil the duties of a PVP. For example, a Vice Principal who teaches a grade 1 class four days a week has one day of admin time a week. This recommendation maintains the additional admin time that the Board authorized for the 2021/22 school year only. Our Principals and Vice Principals support our vulnerable student population. There has been an increased focus on restitution, which heavily involves PVPs, to support student management within the District.
778,000	**Total**

2.3 OTHER OPERATIONAL CHANGES

The Superintendent recommends the following operational changes:

Amount $	Description
-173,000	Reduce school supply allocations. The Board allocates school service and supply budgets based on a formula. This adjusts that formula to decrease the annual allocation to schools. The schools had nearly $750,000 in unused budget allocations at the end of last school year. Most schools will be able to absorb this reduction with minimal impact to service delivery.
110,000	Creation of a Health and Safety Manager position. In 2021, staff engaged a consultant to conduct a gap analysis concerning health and safety and Worksafe BC claims management. This analysis reviewed whether the current state is the most effective model or use of the existing staff and what the model should be for a school district of this size for both health and safety and claims management. The report's key recommendation is to hire a full time health and safety position. The District is growing in size and staff, and Worksafe BC requirements continue to get more complex. The District's injury rate is below the Provincial average, and the District's favourable WCB premiums reflect that. The creation of this position will help the Board maintain this success.
10,000	Increased payroll clerical staff. The volume of payroll related work has increased without a corresponding increase in staff. Additional clerical time is needed to ensure a high standard of service can be maintained.
80,000	Additional administrative support (Executive Assistant). This position will help address the following pressures: • The number of designated students has more than doubled since 2014/15 with no corresponding increase in administrative support. • The School District is taking on some responsibilities for pre-school early learning and childcare, and some before and after school care. Staff expect the Board's responsibilities in this area to increase as the Ministry of Education takes on the Early Learning and Childcare (ELCC) portfolio. This position will assist in administering these programs. • The District lacks a co-ordinated grant identification, application and reporting approach. This position will help fill that gap, potentially increasing grant revenue.
27,000	**Total**

The District is implementing other operational changes within the existing budget. These changes realign existing resources to improve results for students.

Of particular note is the creation of an Assistant Superintendent position. Several Board-Office based management positions will relocate to operate out of schools next year. This increases the supports directly available to students, and partly offsets the cost of the Assistant Superintendent position. Other Board Office service and supply budgets will be adjusted to offset any remaining difference.

This restructuring will better position the District to:

- Operationalize the strategic plan,
- Update educational Board policies and ensure an effective framework of procedures is in place to implement the polices,
- Implement the Province's Framework for Enhancing Student Learning, and
- Close the literacy and numeracy gap between Indigenous students, students with special needs and all students.

2.4 INFLATIONARY PRESSURES

The Province and Districts are currently negotiating collective agreements for unionized staff. These agreements will contain wage increases for those staff. Provincial staff have indicated that additional Provincial grant funding will offset the cost of these increases.

The following changes arise from inflationary pressures.

Amount $	Description
220,000	Increasing cost of employee benefits
182,000	Salary increases for non-unionized staff. This is an estimate of the cost of increasing non-unionized staff wages in line with increases for unionized staff. It is likely that any such increases will be delayed until collective agreement negotiations are concluded.
0	Other inflationary pressures are leading to increases in many service and supply costs, such as fuel, furniture and construction costs. These proposed budget changes do not reflect additional allocations to offset those cost increases, which may lead to some reductions in what departments are able to achieve.
402,000	**Total**

2.5 INCORPORATION OF INTERNATIONAL PROFIT

The Board has a practice of assuming the revenues generated by the International Program will equal the associated expenses. This reduced the risk of any disruption in the international student marketplace.

In practice, though, International Program revenues typically exceed the expenses. Expenses typically are less than budget by at least $500,000.

	2016/17	2017/18	2018/19	2019/20	2020/21
Expense	$4.51 m	$4.21 m	$4.25 m	$4.19 m	$1.85 m
Profit	$0.35 m	$0.66 m	$0.68 m	$0.85 m	$0.68 m

To improve the alignment of the budget with actual expenditure plans, the 2022-2023 budget will reflect **$500,000** less in International Program expenditures.

2.6 USE OF RESTRICTED RESERVES

This year's budget allows for the expenditure of the following reserves. This provides the departments with the authority to spend these amounts should they choose to do so. The original budget for 2022-2023 will assume that these amounts are fully spent. In practice, it is likely that significant restricted amounts will remain at the year-end, and the Board will likely have similar restricted amounts that the 2022-2023 Amended Budget will reflect.

The 2021-2022 Amended Budget reflects the following allocations that will not be included in the 2022-2023 Original Budget.

Amount $	Source
746,000	School budget balance c/f surplus
18,000	Trustee travel budget c/f surplus
47,000	Department budget c/f surplus
278,000	Address learning impacts of pandemic holdback c/f surplus
737,000	Indigenous Education department c/f surplus
158,000	CUPE commitments c/f surplus
700,000	Ed leave c/f surplus
2,684,000	**Total**

2.7 AMOUNTS APPROVED BY THE BOARD FOR 2021-2022 ONLY

The 2021-2022 Amended Budget adopted by the Board allocated $487,200 of reserves to fund expenditures that the Board added for the current school year only. These positions and budgeted costs are:

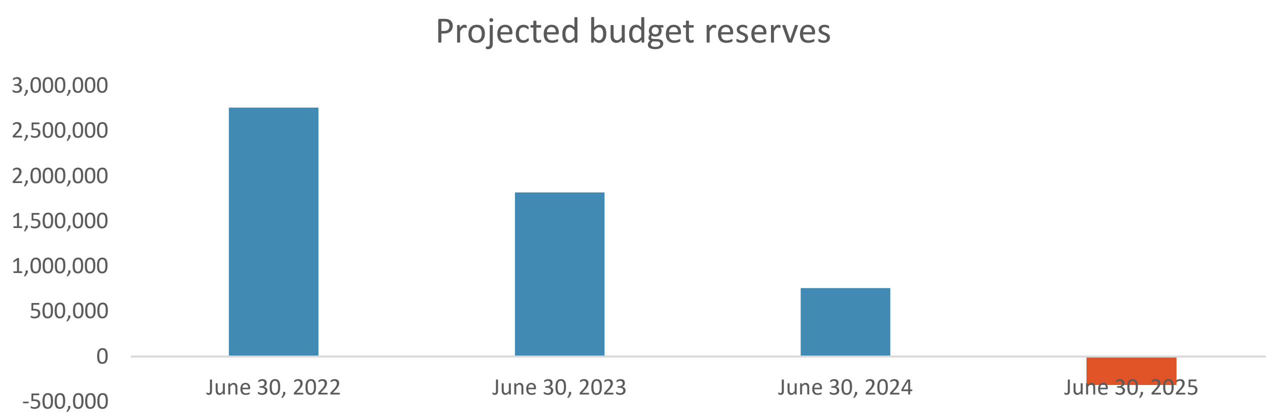
Amount $	Description
108,000	One school psychologist. This temporary position is added back as a permanent position as noted elsewhere in this document.
120,000	Enhanced cleaners
151,000	0.1 FTE of administration time at each elementary school. This is added back into the base budget as noted elsewhere in this document.
108,000	One Literacy Intervention Teacher
487,000	**Total**

3 THREE-YEAR PROJECTION OF RESERVES

The following table shows the impact of these changes on the District's reserves for the next three years. Changes to 2023-2024 and 2024-2025 reflect the impact of increasing enrolment and inflationary pressures. The 2021-2022 projection represents the 2021-2022 amended operating budget, adjusted for the projected variances in unrestricted operating revenues and expenditures as presented to the Board at the March 16, 2022 Regular Board Meeting.

All figures in $	2021-2022 amended budget	Changes	2022-2023 Proposed Budget	Changes	2023-2024 Projected Budget	Changes	2024-2025 Projected budget
Revenues	97,740,647	1,335,000	99,075,647	150,000	99,225,647	410,000	99,635,647
Expenses	100,398,291	-2,108,000	98,290,291	270,000	98,560,291	424,000	98,984,291
Transfers to other funds	1,724,963		1,724,963		1,724,963		1,724,963
Reserve appropriation	4,382,607	-3,443,000	939,607	120,000	1,059,607	14,000	1,073,607
Forecast variances	1,210,000						
Opening reserves	5,932,543		2,759,936		1,820,329		760,722
Closing reserves	2,759,936		1,820,329		760,722		-312,885

The table shows that staff expect the Board to have sufficient reserves to balance the budget for next school year while still maintaining a contingency reserve of about 1.8% of expenditure.



The chart illustrates that, based on these proposed expenditure amounts, reserves fall below a reasonable contingency amount by the end of 2023-2024, and the District falls in deficit the following year. Historical experience has been though that the District ends the year with more reserves than originally planned. There will be a Provincial Election in October 2024, and past experience has been that funding levels change as elections draw near.

It is reasonable to maintain this expenditure going into next year. Should other positive budget variances not materialize, the Board has the time to adapt the budget in subsequent school years to maintain a healthy reserve.

4 CONSIDERATION OF FEEDBACK FROM PUBLIC, STAKEHOLDERS AND RIGHTS HOLDERS

4.1 PUBLIC SURVEY RESPONSES

The Board received input from the public via an online form. This feedback covered many topics, with some themes emerging within multiple responses:

- More 'boots on the ground' – moving away from district principals to school-based supports. These recommendations achieve this through the relocation of several board-office based management positions to be based out of schools.
- More support for high needs students – these recommendations add about 8 Education Assistant and 2 SBRT positions, a Psychologist and increased time for PVPs to provide this support.

4.2 VERNON TEACHER LIBRARIANS ASSOCIATION

The Vernon Teacher Librarians Association proposed the creation of a Learning Commons Specialist position. These recommendations do not incorporate this proposal at this time.

4.3 VERNON TEACHERS ASSOCIATION

The Vernon Teachers Association presented a myriad of requested additions, with budget related priorities as follows:

Priority	Comments
Student Support Services – more staff/resources at the schools	These recommendations add about 8 Education Assistant and 2 SBRT positions, a Psychologist and increased time for PVPs to provide this support.
Curriculum Support – more staff/resources at the schools	The relocation of District Principals and Vice-Principals to be based out of schools assists in providing this support.
Professional Development and In-Service during school hours	The existing budget allows for targeted professional development and in-service to occur during school hours.
INCREASE: TTOCs, Educational Supports, Specialists (but in the schools working alongside teachers) and Counsellors	These recommendations add about 8 Education Assistant and 2 SBRT positions and a Psychologist.
KEEP: 0.1 FTE in VP positions in the Elementary Schools	These recommendations reflect the continuation of the additional 0.1FTE of administration time.
NO INCREASE of any positions at the School Board Office (Directors, District Principals, District VPs, district-wide positions)	These recommendations reflect a net decrease in the number of School Board Office based Directors, District Principals and District VPs.

4.4 DISTRICT PARENT ADVISORY COMMITTEE

The feedback received from the District Parent Advisory Committee reflected the following:

Feedback	Comments
Overall budget comments – '*historically, SD22 has practiced a habit of budgeting a deficit but achieving an actual surplus once the year was closed*'	The feedback contains some technical misunderstandings, but the general point is that the Board should not cut services based on overly pessimistic budget assumptions. This budget addresses this by: • Adjusting expectations regarding the International program. • Looking at a three year-projection, and recognizing that historical experience is that the Board typically ends the year with more reserves than planned.
Improving 6-year completion rates	These recommendations contain several changes and service additions intended to assist in improving completion rates.
Facility accessibility	These recommendations focus on the operating budget, not capital. As a result of this feedback, management have incorporated accessibility on the checklist used for all capital projects. This will help ensure the Student Support Services team is consulted when minor or major changes or additions to facilities are made.
HVAC systems	These recommendations focus on the operating budget, not capital. Reflecting this feedback, going forward, and including the HVAC project currently underway at Charles Bloom Secondary, all HVAC replacement projects will be designed to accommodate Merv 13 filters.
Addition of a Sexual Health program	Staff are implementing a Sexual Health program utilising existing budgets.
International Student Program – expansion of program	A new position of Vice Principal for International Education is being added within the International Department's budget. This will help provide the time and expertise needed to expand the program within the capacity of our existing schools. Improving the quality of the program also supports increasing fees charged for the International program.
Cost to absenteeism	The addition of a Health and Safety Manager position will assist in managing absenteeism.

4.5 CUPE LOCAL 5523

The feedback from CUPE Local 5523 reflected the following:

Feedback	Comments
Truth and Reconciliation pro-d	Staff are exploring ways of making education opportunities on Truth and Reconciliation available to all support staff within existing budgets.
Increase of .75 hrs / week for Education Assistants, allowing consultation with teachers, Admin, and SBRT'S, meetings involving their students, or prep time.	School Principals, using their school budgets, can allow additional time as needed for Education Assistants to attend meetings outside school instructional time. A focus of the proposed budget changes is to increase the number of Education Assistant positions, thus increasing the face-to-face support available to students.

Feedback	Comments
Return of daytime custodial staff	These recommended budget changes do not incorporate the inclusion of daytime custodial staff. The recommendations propose that the Board increase custodial time across the District by 0.5FTE to address the additional demands on custodial time at schools created by growing enrolment.
Mental health support to continue for all employees	The recommended budget reflects the continuation of existing mental health supports for staff.
Expand seamless childcare to other school sites	Staff are exploring this possibility. Additional administrative time is added in these recommendations to assist the Board in investigating opportunities and taking on childcare responsibilities.
Fund the additional cost of a CUPE employee to participate on the District Joint Health & Safety Committee	The District Joint Health and Safety Committee arises out of the teacher's collective agreement.

4.6 STUDENT VOICE

Student Voice has been represented a number of ways during the 2021-2022 school year: Formal Student Voice group representing all five high schools; an Indigenous Student Focus group, and a Rural focus group, as part of the Board of Education's Strategic Plan renewal process. While some of the input was more pragmatic in nature and impact changes to course content, the input here is directly represented in the budget.

Topics of concern to our students included but are not limited to:

1) **Increased supports for Mental Health** (addressed within the upcoming Student Support Services budget)
2) **Identity and Awareness of Self and Others, particularly for those in the LGBTQ+ community** (addressed through district Professional Learning budget and Student Support Services budget)
3) **Sexual Health Education** (currently being addressed through the district Sexual Health Education program K-12). This program will continue next year through Student Support Services and Curriculum budgets.
4) **Integrating more Indigenous history and culture**. The Ministry of Education has made it mandatory for all students to take and Indigenous Education class prior to graduation and all of our schools are currently working on making this happen. The costs will involve resources and professional development for our educators already allocated in the Curriculum and Indigenous Education departments Professional Learning budgets.

4.7 OKANAGAN INDIAN BAND

Staff and OKIB representatives distributed a survey for budget input to Okanagan Indian Band members. Eight OKIB members responded. The input received was diverse, covering a range of topics.

One general theme that emerged was, using one response as an example, to 'create programs and opportunities for all students to practice their culture, language and traditional values'.

The Board has recently signed a Local Education Agreement with the Okanagan Indian Band, which commences with this commitment:

> *In the true spirit of reconciliation, the Board of Education of School District 22 (Vernon) and the Okanagan Indian Band agree to work collaboratively to improve upon the quality and equity of education for all students. OKIB students will receive timely and effective academic support that will allow them to succeed within the Provincial school system. All students will receive ongoing education in the language and culture of the local sqilxw /Syilx people.*

The agreement contains a number of mechanisms by which the Board and OKIB will implement this commitment.

The Board is also in the process of revising the Indigenous Education Enhancement Agreement. OKIB, Indigenous Student Voice, and the Indigenous Education Advisory Committee are actively participating in the Board's strategic planning process.

These structural changes provide the foundation to implement many of the proposals outlined in the survey responses.

4.8 VERNON TEACHERS ASSOCIATION MENTORSHIP WORKING GROUP

In 2021, the School District provided the Vernon Teachers Association with $180,000 to assist in mentoring teachers. The District funded this using a grant from the Ministry of Education intended for this purpose.

The Vernon Teachers Association created a mentorship coordinator position. For this budget, they have submitted a proposal that the Board partially fund this position out of operating funds going forward.

A sufficient amount of the initial $180,000 of funding remains to maintain the program in 2022-23, and so no change to the budget is proposed at this time.