



Supplement to: **COMBINED EDUCATION AND OPERATIONS POLICY & PLANNING COMMITTEE**

Date: March 3, 2020

Submitted by: Bettina Ketcham, Secretary-Treasurer

Item: **Requiring Action** Yes No **For Information**

Subject: Structural Surplus/Deficit 2020-21

Background:

The District has submitted its enrolment estimates for the 2020-21 school year to the Ministry of Education which informs the preliminary operating grant announcements on March 14, 2020. Given that the funding formula does not have any substantive changes from last year, the predictability of operating grants using current enrolment estimates is high. The preliminary budgets are not due until June 30, however, much planning such as staffing and maintenance hinge on the preliminary budget approval and as such, the preliminary budget process begins well before operating budget announcements are made.

The packages enclosed provide structural surplus/deficit scenarios. This is a **starting point** to the budget conversation as it helps to inform adjustments necessary to expenses and spending based on updated revenues. This by no means represents the final budget to be passed in April. Staff are **starting to identify adjustments** necessary to staffing, services and supplies as we do every year during the budget cycle.

The most significant change to revenues are as follows:

- 1) Decrease in International student revenue (offshore tuition). In previous years, the district has planned for a 100 student reduction due to space constraints.
- 2) While the district anticipates a growth in overall enrolment, the numbers are countered by an almost equally significant potential reduction in continuing education. While no final decisions have been made by the board about continuing education, the enrolment estimates were required to be submitted to the Ministry on February 14. Based on discussion to that date, staff thought it prudent to incorporate some planned reduction in this area.

There are two significant expenditures that staff thought to incorporate into the structural deficit was as follows:

- 1) Purchase of portables. Registration is still underway and will not be completed until after the operations meeting. The district does have some sense for where the enrolment pressures are and are starting to plan for this. To that end, there may need to be the purchase of some portables to support enrolment growth and these must be funded out of operations. They are not considered an expense that qualifies under our *Annual Facilities Grant*. Presently, the district has budgeted for 2 portables, however, this number could change up or down.

- 2) P/VP and exempt staff salaries continue to remain unfunded by the province. Contemplated in the adjustment to the structural deficits is a 2% grid adjustment which is approved annually by BCPSEA to avoid compression with our union groups and also increment increases as a result of time and performance criteria for certain staff. To that end, \$290,000 with benefits has been included in this analysis.

Given the ongoing conversation over continuing education, scenarios have been incorporated in here to help inform the board in their deliberations over this program. The scenarios for impacts on the budget relating to continuing education are contemplated in scenarios 3 and 4.

Below is a summary of the different scenarios. The detailed scenarios are attached and staff will be reviewing these in great detail during the operations meeting.

| | | S1 | S2 | S3 | S4 |
|---|--------------|----------------|------------------|------------------|------------------|
| Revenue (status quo) | | 69,110,877 | 69,110,877 | 69,110,877 | 69,110,877 |
| Revenue adjustments (block and other revenue) | | - 1,587,038 | - 1,587,038 | - 1,587,038 | - 1,587,038 |
| CE revenue adjustment | | - | - | - 695,855 | - 783,695 |
| | | 67,523,839 | 67,523,839 | 66,827,984 | 66,740,144 |
| Expenses (status quo) | | 69,110,877 | 69,110,877 | 69,110,877 | 69,110,877 |
| Portables for enrolment growth | | 200,000 | 200,000 | 200,000 | 200,000 |
| P/VP and Exempt Staff wage increases (unfunded) | | 290,009 | 290,009 | 290,009 | 290,009 |
| Reversal of Surplus Initiatives | | - | - 546,205 | - 546,205 | - 546,205 |
| CE day program reductions | | - | - | - 755,184 | - |
| CE day and late afternoon reduction | | - | - | | - 911,706 |
| Other adjustment | | - | - | 71,559 | 71,559 |
| | | 69,600,886 | 69,054,681 | 68,371,056 | 68,214,534 |
| Operational Surplus (Deficit) for 2020-21 | A | - 2,077,047 | - 1,530,842 | - 1,543,072 | - 1,474,390 |
| Accumulated Surplus - opening balance | B | 3,393,884 | 3,393,884 | 3,393,884 | 3,393,884 |
| Relocation of portables for CE day | C | - 500,000 | - 500,000 | | |
| Accumulated Surplus - closing balance | A+B+C | 816,837 | 1,363,042 | 1,850,812 | 1,919,494 |

A healthy balance for Accumulated surplus is approximately 3% of revenues or about \$2M.

The considerations must also include potential investments to NWSS furniture and equipment. Staff are still working on determining the final budget for purchase of equipment and furniture but recommend a placeholder of \$1M out of accumulated surplus balances for this purpose. The following would be the effect of this investment:

| | | | | | |
|---|--------------|------------------|------------------|------------------|------------------|
| Accumulated Surplus - closing balance | A+B+C | 816,837 | 1,363,042 | 1,850,812 | 1,919,494 |
| NWSS Furniture and Equipment | | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Adjusted accumulated surplus - closing balance | | - 183,163 | 363,042 | 850,812 | 919,494 |



In the first scenario above, the board would be in a deficit position and is not allowed by law to consider this option. The other options also result in an accumulated balance below the recommended threshold of \$2M.

Conclusion:

To reiterate, this is a starting point in the budget process which helps to inform the board to consider its priorities and what investments should be made for the upcoming year. **This is the first set of budget information pieces to be received.** On March 10th, the superintendent recommendations will be made which will layer on top of what facts we already know. Subsequent to the March break, more information will be layered as staff continue to do work around the budget process.

Options Summary - Structural Surplus/Deficit

| | S1 | S2 | S3 | S4 |
|---|-----------------------------|------------------|------------------|------------------|
| Revenue (status quo) | 69,110,877 | 69,110,877 | 69,110,877 | 69,110,877 |
| Revenue adjustments (block and other revenue) | - 1,587,038 | - 1,587,038 | - 1,587,038 | - 1,587,038 |
| CE revenue adjustment | - | - | - 695,855 | - 783,695 |
| | 67,523,839 | 67,523,839 | 66,827,984 | 66,740,144 |
| Expenses (status quo) | 69,110,877 | 69,110,877 | 69,110,877 | 69,110,877 |
| Portables for enrolment growth | 200,000 | 200,000 | 200,000 | 200,000 |
| P/VP and Exempt Staff wage increases (unfunded) | 290,009 | 290,009 | 290,009 | 290,009 |
| Reversal of Surplus Initiatives | - | - 546,205 | - 546,205 | - 546,205 |
| CE day program reductions | - | - | - 755,184 | - |
| CE day and late afternoon reduction | - | - | - | - 911,706 |
| Other adjustment | - | - | 71,559 | 71,559 |
| | 69,600,886 | 69,054,681 | 68,371,056 | 68,214,534 |
| Operational Surplus (Deficit) for 2020-21 | A - 2,077,047 | - 1,530,842 | - 1,543,072 | - 1,474,390 |
| Accumulated Surplus - opening balance | B 3,393,884 | 3,393,884 | 3,393,884 | 3,393,884 |
| Relocation of portables for CE day | C - 500,000 | - 500,000 | | |
| Accumulated Surplus - closing balance | A+B+C 816,837 | 1,363,042 | 1,850,812 | 1,919,494 |
| NWSS Furniture and Equipment | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Adjusted accumulated surplus - closing balance | - 183,163 | 363,042 | 850,812 | 919,494 |
| Healthy balance for Accumulated Surplus | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |

SCENARIO 1

| BUDGET DOLLARS | | | | | | | | | |
|--|-----------------------------|---|--|--------------------|---|--|------------------------------|---------------------|------------------|
| A | B | C | D | E | F | G | H | I | |
| 2019-20 Amended budget approved by the board | Revenue Adjustment (note 1) | CE revenue adjustment assuming keeping whole program (note 2) | CE investment of relocating day program (note 3) | Portables (note 4) | P/VP and exempt salary adjustments (note 5) | Supt's recommendations (coming March 10) | 2020-2021 Preliminary Budget | Total Change | |
| OPERATING GRANT MINISTRY OF EDUCAT | 61,938,097 | 103,101 A | 559,777 | | | | 62,600,975 | 662,878 | |
| OTHER MINISTRY OF EDUCATION GRANTS | 1,637,939 | | | | | | 1,637,939 | - | |
| PROVINCIAL GRANTS OTHER | 162,000 | | | | | | 162,000 | - | |
| SUMMER SCHOOL FEES | 36,190 | 3,810 | | | | | 40,000 | 3,810 | |
| CONTINUING EDUCATION | 86,100 | | | | | | 86,100 | - | |
| OFFSHORE TUITION FEES | 3,779,521 | -1,707,521 A | | | | | 2,072,000 - | 1,707,521 | |
| MISCELLANEOUS REVENUE | 169,825 | | | | | | 169,825 | - | |
| COMMUNITY USE OF FACILITIES | 255,000 | | | | | | 255,000 | - | |
| INTEREST ON SHORT TERM INVESTMENT | 500,000 | | | | | | 500,000 | - | |
| APPROPRIATED SURPLUS | 546,205 | -546,205 | | | | | 0 - | 546,205 | |
| Total Revenue | 69,110,877 | -2,146,815 | 559,777 | 0 | 0 | 0 | 0 | 67,523,839 - | 1,587,038 |

| | | | | | | | | |
|-----------------------------------|------------|---|--|--|---------|--|------------|---------|
| PRINCIPALS & VP SALARIES | 3,603,270 | | | | 92,384 | | 3,695,654 | 92,384 |
| TEACHERS SALARIES | 29,583,810 | A | | | | | 29,583,810 | - |
| SUPPORT STAFF SALARIES | 5,435,860 | | | | | | 5,435,860 | - |
| EDUCATIONAL ASSISTANTS SALARIES | 5,703,365 | | | | | | 5,703,365 | - |
| OTHER PROFESSIONAL SALARIES | 2,750,203 | | | | 147,293 | | 2,897,496 | 147,293 |
| SUBSTITUTE SALARIES | 2,082,175 | | | | | | 2,082,175 | - |
| EMPLOYEE BENEFITS | 12,165,933 | | | | 50,332 | | 12,216,265 | 50,332 |
| SERVICES | 2,403,790 | | | | | | 2,403,790 | - |
| LEGAL COSTS | 135,000 | | | | | | 135,000 | - |
| STUDENT TRANSPORTATION | 180,419 | | | | | | 180,419 | - |
| PROFESSIONAL DEVELOPMENT & TRAVEL | 517,965 | | | | | | 517,965 | - |
| RENTALS & LEASES | 233,400 | | | | | | 233,400 | - |
| DUES & FEES | 91,400 | | | | | | 91,400 | - |
| INSURANCE | 111,000 | | | | | | 111,000 | - |
| SUPPLIES | 1,956,741 | | | | | | 1,956,741 | - |
| UTILITIES | 494,500 | | | | | | 494,500 | - |
| GAS - HEAT | 247,000 | | | | | | 247,000 | - |
| CARBON TAX EXP | 50,000 | | | | | | 50,000 | - |

SCENARIO 1

| BUDGET DOLLARS | | | | | | | | | |
|--|-----------------------------|---|--|--------------------|---|--|------------------------------|-------------------|----------------|
| A | B | C | D | E | F | G | H | I | |
| 2019-20 Amended budget approved by the board | Revenue Adjustment (note 1) | CE revenue adjustment assuming keeping whole program (note 2) | CE investment of relocating day program (note 3) | Portables (note 4) | P/VP and exempt salary adjustments (note 5) | Supt's recommendations (coming March 10) | 2020-2021 Preliminary Budget | Total Change | |
| WATER & SEWAGE | 270,606 | | | | | | 270,606 | - | |
| GARBAGE & RECYCLE | 89,400 | | | | | | 89,400 | - | |
| FURNITURE & EQUIPMENT REPLACEMENT | 333,856 | | | 200,000 | | | 533,856 | 200,000 | |
| COMPUTER & EQUIPMENT REPLACEMENT | 671,184 | | | | | | 671,184 | - | |
| Total Expense | 69,110,877 | 0 | 0 | 0 | 200,000 | 290,009 | 0 | 69,600,886 | 490,009 |
| CE portable relocation | | | - 500,000 | | | | | - 500,000 | |
| Overall impact on operational Surplus/Deficit | 3,393,884 | - 2,146,815 | 559,777 | - - | 200,000 | - 290,009 | 0 | 1,316,837 | |
| | 3,393,884 | - 2,146,815 | 559,777 | - 500,000 | - 200,000 | - 290,009 | - | 816,837 | |

Expected opening balance for 2020-21 surplus
 Expected closing Deficit for 2020-21 surplus

Healthy balance for surplus (approx 3% revenues) 2,000,000

Note A - No teaching FTE has been contemplated in terms of the decrease in International education and general instruction enrolment growth. For international education, a planned reduction of 100 students is anticipated and offsetting this, is an enrolment growth of approximately 100 students. In theory, the decrease in international and increase in regular enrolment offset which is why no reduction or increase in staff is contemplated in the structural deficit. However, with international and general enrolment growth, depending on where we find enrolment pressures at various sites, that will dictate the change in teaching FTE. The adjustments to FTE for teaching staff will come at a later date. School registrations do not end until mid March, thus not all information is known at the time of the structural deficit presentation.

Note 1 - The February enrolment estimates to the Ministry of Education assume a reduction from 265.63 FTE to 147.9375 FTE - thus a reduction of \$559K was contemplated within here.

Note 2 - As per note 1 above, we have to add back \$559K to assume a status quo situation to continuing education.

Note 3 - If we assume keeping the CE program as it presently stands, an investment of \$500,000 from surplus would have to be made.

Note 4 - Portables must be funded out of operational dollars. We are assuming the district may need up to 2 portables, though enrolment estimates are still being gathered. This number could change.

Note 5 - Administrator and exempt staff wages remain unfunded. Included in these estimates are 2% increase in wage to avoid compression (in line with unions) and grid increases based on time and performance measures.

**SCENARIO 2
ADJUST REVENUE AND REVERSE 2019-20 SURPLUS
INITIATIVES AND BRING BACK ONE TIME COSTS CHARGED
TO SPECIAL PURPOSE**

| BUDGET DOLLARS | | | | | | | | | | |
|--|-----------------------------|---|--|--------------------|---|--------------------------------------|--|--|------------------------------|------------------|
| A | B | C | D | E | F | G | H | I | J | K |
| 2019-20 Amended budget approved by the board | Revenue Adjustment (note 1) | CE revenue adjustment assuming keeping whole program (note 2) | CE investment of relocating day program (note 3) | Portables (note 4) | P/VP and exempt salary adjustments (note 5) | 2019-20 Surplus Initiatives (note 6) | One-time costs in SP funds coming back to ops (note 7) | Supt's recommendations (coming March 10) | 2020-2021 Preliminary Budget | Total Change |
| OPERATING GRANT MINISTRY OF EDUCAT | 61,938,097 | 103,101 A | 559,777 | | | | | | 62,600,975 | 662,878 |
| OTHER MINISTRY OF EDUCATION GRANTS | 1,637,939 | | | | | | | | 1,637,939 | - |
| PROVINCIAL GRANTS OTHER | 162,000 | | | | | | | | 162,000 | - |
| SUMMER SCHOOL FEES | 36,190 | 3,810 | | | | | | | 40,000 | 3,810 |
| CONTINUING EDUCATION | 86,100 | | | | | | | | 86,100 | - |
| OFFSHORE TUITION FEES | 3,779,521 | -1,707,521 A | | | | | | | 2,072,000 - | 1,707,521 |
| MISCELLANEOUS REVENUE | 169,825 | | | | | | | | 169,825 | - |
| COMMUNITY USE OF FACILITIES | 255,000 | | | | | | | | 255,000 | - |
| INTEREST ON SHORT TERM INVESTMENT | 500,000 | | | | | | | | 500,000 | - |
| APPROPRIATED SURPLUS | 546,205 | -546,205 | | | | | | | 0 - | 546,205 |
| Total Revenue | 69,110,877 | -2,146,815 | 559,777 | 0 | 0 | 0 | 0 | 0 | 67,523,839 - | 1,587,038 |
| PRINCIPALS & VP SALARIES | 3,603,270 | | | | | 92,384 | | 85,712 | 3,781,366 | 85,712 |
| TEACHERS SALARIES | 29,583,810 | unknown A | | | | - | 96,396 B | | 29,487,414 - | 96,396 |
| SUPPORT STAFF SALARIES | 5,435,860 | | | | | | | 214,540 | 5,650,400 | 214,540 |
| EDUCATIONAL ASSISTANTS SALARIES | 5,703,365 | | | | | | | | 5,703,365 | - |
| OTHER PROFESSIONAL SALARIES | 2,750,203 | | | | | 147,293 - | 20,000 C - | 66,142 | 2,811,354 - | 86,142 |
| SUBSTITUTE SALARIES | 2,082,175 | | | | | | | | 2,082,175 | - |
| EMPLOYEE BENEFITS | 12,165,933 | | | | | 50,332 - | 24,099 B | 45,340 | 12,237,506 | 21,241 |
| SERVICES | 2,403,790 | | | | | - | 370,160 D | | 2,033,630 - | 370,160 |
| LEGAL COSTS | 135,000 | | | | | | | | 135,000 | - |
| STUDENT TRANSPORTATION | 180,419 | | | | | | | | 180,419 | - |
| PROFESSIONAL DEVELOPMENT & TRAVEL | 517,965 | | | | | | | | 517,965 | - |
| RENTALS & LEASES | 233,400 | | | | | | | | 233,400 | - |
| DUES & FEES | 91,400 | | | | | | | | 91,400 | - |
| INSURANCE | 111,000 | | | | | | | | 111,000 | - |
| SUPPLIES | 1,956,741 | | | | | - | 75,000 E | | 1,881,741 - | 75,000 |
| UTILITIES | 494,500 | | | | | | | | 494,500 | - |
| GAS - HEAT | 247,000 | | | | | | | | 247,000 | - |
| CARBON TAX EXP | 50,000 | | | | | | | | 50,000 | - |
| WATER & SEWAGE | 270,606 | | | | | | | | 270,606 | - |
| GARBAGE & RECYCLE | 89,400 | | | | | | | | 89,400 | - |
| FURNITURE & EQUIPMENT REPLACEMENT | 333,856 | | | 200,000 | | - | 190,000 E | | 343,856 - | 190,000 |
| COMPUTER & EQUIPMENT REPLACEMENT | 671,184 | | | | | - | 50,000 G | | 621,184 - | 50,000 |
| Total Expense | 69,110,877 | 0 | 0 | 0 | 200,000 | 290,009 | -825,655 | 279,450 | 69,054,681 - | 546,205 |

**SCENARIO 2
ADJUST REVENUE AND REVERSE 2019-20 SURPLUS
INITIATIVES AND BRING BACK ONE TIME COSTS CHARGED
TO SPECIAL PURPOSE**

| BUDGET DOLLARS | | | | | | | | | | |
|--|-----------------------------|---|--|--------------------|---|--------------------------------------|--|--|------------------------------|--------------|
| A | B | C | D | E | F | G | H | I | J | K |
| 2019-20 Amended budget approved by the board | Revenue Adjustment (note 1) | CE revenue adjustment assuming keeping whole program (note 2) | CE investment of relocating day program (note 3) | Portables (note 4) | P/VP and exempt salary adjustments (note 5) | 2019-20 Surplus Initiatives (note 6) | One-time costs in SP funds coming back to ops (note 7) | Supt's recommendations (coming March 10) | 2020-2021 Preliminary Budget | Total Change |

| | | | | | | | | | | | | |
|---|-----------|-------------|---------|---------|---------|-----------|-----------|---------|---------|--|-----------|-----------|
| CE portable relocation | | | - | 500,000 | | | | | | - | 500,000 | |
| Overall impact on operational Surplus/Deficit | 3,393,884 | - 2,146,815 | 559,777 | - | 200,000 | - 290,009 | 825,655 | - | 279,450 | 0 | 1,863,042 | |
| | 3,393,884 | - 2,146,815 | 559,777 | - | 500,000 | - 200,000 | - 290,009 | 825,655 | - | 279,450 | - | 1,363,042 |
| | | | | | | | | | | Healthy balance for surplus (approx 3% revenues) | 2,000,000 | |

Expected opening balance for 2020-21 surplus
Expected closing Deficit for 2020-21 surplus

Note A - No teaching FTE has been contemplated in terms of the decrease in International education and general instruction enrolment growth. For international education, a planned reduction of 100 students is anticipated and offsetting this, is an enrolment growth of approximately 100 students. In theory, the decrease in international and increase in regular enrolment offset which is why no reduction or increase in staff is contemplated in the structural deficit. However, with international and general enrolment growth, depending on where we find enrolment pressures at various sites, that will dictate the change in teaching FTE. The adjustments to FTE for teaching staff will come at a later date. School registrations do not end until mid March, thus not all information is known at the time of the structural deficit presentation.

Note 1 - The February enrolment estimates to the Ministry of Education assume a reduction from 265.63 FTE to 147.9375 FTE - thus a reduction of \$559K was contemplated within here.

Note 2 - As per note 1 above, we have to add back \$559K to assume a status quo situation to continuing education.

Note 3 - If we assume keeping the CE program as it presently stands, an investment of \$500,000 from surplus would have to be made

Note 4 - Portables must be funded out of operational dollars. We are assuming the district may need up to 2 portables, though enrolment estimates are still being gathered. This number could change.

Note 5 - Administrator and exempt staff wages remain unfunded. Included in these estimates are 2% increase in wage to avoid compression (in line with unions) and grid increases based on time and performance measures.

Note 6 - Please see below for a breakdown of these balances

| | |
|--|---------|
| B Teacher Mentor 0.6 FTE | 52,580 |
| Fine Arts Teacher Staffing 0.5 FTE | 43,816 |
| | <hr/> |
| | 96,396 |
| Benefits | 24,099 |
| | <hr/> |
| | 120,495 |
| C Attendance management co-op student | 20,000 |
| D Tech consultant | 50,000 |
| Fine arts Massey Theatre rental | 50,000 |
| SPED review | 50,000 |
| MSP for International Students | 136,000 |
| Late 2018-19 Carryforwards | 84,160 |
| | <hr/> |
| | 370,160 |

**SCENARIO 2
ADJUST REVENUE AND REVERSE 2019-20 SURPLUS
INITIATIVES AND BRING BACK ONE TIME COSTS CHARGED
TO SPECIAL PURPOSE**

| BUDGET DOLLARS | | | | | | | | | | |
|--|--|--|---|------------------------------|---|--|---|---|------------------------------------|--------------|
| A | B | C | D | E | F | G | H | I | J | K |
| 2019-20 Amended budget approved by the board | Revenue Adjustment (note 1) | CE revenue adjustment assuming keeping whole program (note 2) | CE investment of relocating day program (note 3) | Portables (note 4) | P/VP and exempt salary adjustments (note 5) | 2019-20 Surplus Initiatives (note 6) | One-time costs in SP funds coming back to ops (note 7) | Supt's recommenda tions (coming March 10) | 2020-2021 Preliminary Budget | Total Change |

| | |
|---------------------------------|--------|
| E Digital archive filing | 50,000 |
| Strategic Plan Project | 25,000 |
| | 75,000 |

| | |
|--|---------|
| F Earthquake emergency provisions | 100,000 |
| Equipment purchased after cleanliness review | 20,000 |
| Fine arts equipment purchases | 70,000 |
| | 190,000 |

| | |
|------------------------------------|--------|
| G Technology infrastructure | 50,000 |
|------------------------------------|--------|

Note 7 - These adjustments relate to one-time expenses charged to special purpose operating grants for one year only but belong to the operating grant normally.

Note G - No teaching FTE has been contemplated in terms of the decrease in International education and general instruction enrolment growth. For international education, a planned reduction of 100 students is anticipated and offsetting this, is an enrolment growth of approximately 100 students. In theory, the decrease in international and increase in regular enrolment offset which is why no reduction or increase in staff is contemplated in the structural deficit. However, with international and general enrolment growth, depending on where we find enrolment pressures at various sites, that will dictate the change in teaching FTE. The adjustments to FTE for teaching staff will come at a later date. School registrations do not end until March 14, thus not all information is known at the time of the structural deficit presentation.

**SCENARIO 3
ADJUST REVENUE AND REVERSE 2019-20 SURPLUS ITEMS
DISCONTINUE DAY CONTINUING EDUCATION PROGRAM**

| BUDGET DOLLARS | | | | | | | | | | | | | | |
|--|-----------------------------|---|--|--------------------|---|--------------------------------------|--|--------------------------------------|---|--|------------------------------|---------------------|------------------|------------------|
| A | B | C | D | E | F | G | H | I | J | K | L | M | | |
| 2019-20 | Revenue Adjustment (note 1) | CE revenue adjustment assuming keeping whole program (note 2) | CE investment of relocating day program (note 3) | Portables (note 4) | P/VP and exempt salary adjustments (note 5) | 2019-20 Surplus Initiatives (note 6) | One-time costs in SP funds coming back to ops (note 7) | Continuing Ed - Day Savings (note 8) | Continuing Ed Night Program Growth anticipated (note 8) | Supt's recommendations (coming March 10) | 2020-2021 Preliminary Budget | Total Change | | |
| OPERATING GRANT MINISTRY OF EDUCAT | 61,938,097 | 103,101 A | 559,777 | | | | | | | | 61,905,120 - | 32,977 | | |
| OTHER MINISTRY OF EDUCATION GRANTS | 1,637,939 | | | | | | | | | | 1,637,939 | - | | |
| PROVINCIAL GRANTS OTHER | 162,000 | | | | | | | | | | 162,000 | - | | |
| SUMMER SCHOOL FEES | 36,190 | 3,810 | | | | | | | | | 40,000 | 3,810 | | |
| CONTINUING EDUCATION (FEE PAYING) | 86,100 | | | | | | | | | | 86,100 | - | | |
| OFFSHORE TUITION FEES | 3,779,521 | -1,707,521 A | | | | | | | | | 2,072,000 - | 1,707,521 | | |
| MISCELLANEOUS REVENUE | 169,825 | | | | | | | | | | 169,825 | - | | |
| COMMUNITY USE OF FACILITIES | 255,000 | | | | | | | | | | 255,000 | - | | |
| INTEREST ON SHORT TERM INVESTMENT | 500,000 | | | | | | | | | | 500,000 | - | | |
| APPROPRIATED SURPLUS | 546,205 | -546,205 | | | | | | | | | 0 - | 546,205 | | |
| Total Revenue | 69,110,877 | -2,146,815 | 559,777 | 0 | 0 | 0 | 0 | 0 | -775,504 | 79,649 | 66,827,984 - | 2,282,893 | | |
| PRINCIPALS & VP SALARIES | 3,603,270 | | | | | 92,384 | | 85,712 - | 71,559 | 71,559 | 3,781,366 | 85,712 | | |
| TEACHERS SALARIES | 29,583,810 | unknown A | | | | | | | | | 29,055,329 - | 528,481 | | |
| SUPPORT STAFF SALARIES | 5,435,860 | | | | | | | 214,540 - | 51,899 | | 5,598,501 | 162,641 | | |
| EDUCATIONAL ASSISTANTS SALARIES | 5,703,365 | | | | | | | | | | 5,703,365 | - | | |
| OTHER PROFESSIONAL SALARIES | 2,750,203 | | | | | 147,293 - | 20,000 C - | 66,142 | | | 2,811,354 - | 86,142 | | |
| SUBSTITUTE SALARIES | 2,082,175 | | | | | | | | | | 2,082,175 | - | | |
| EMPLOYEE BENEFITS | 12,165,933 | | | | | 50,332 - | 24,099 B | 45,340 - | 150,345 | 11,459 | 12,098,620 - | 117,645 | | |
| SERVICES | 2,403,790 | | | | | | 370,160 D | | | | 2,033,630 - | 370,160 | | |
| LEGAL COSTS | 135,000 | | | | | | | | | | 135,000 | - | | |
| STUDENT TRANSPORTATION | 180,419 | | | | | | | | | | 180,419 | - | | |
| PROFESSIONAL DEVELOPMENT & TRAVEL | 517,965 | | | | | | | | | | 517,965 | - | | |
| RENTALS & LEASES | 233,400 | | | | | | | | | | 233,400 | - | | |
| DUES & FEES | 91,400 | | | | | | | | | | 91,400 | - | | |
| INSURANCE | 111,000 | | | | | | | | | | 111,000 | - | | |
| SUPPLIES | 1,956,741 | | | | | | 75,000 E | | 60,755 | | 1,820,986 - | 135,755 | | |
| UTILITIES | 494,500 | | | | | | | | | | 494,500 | - | | |
| GAS - HEAT | 247,000 | | | | | | | | | | 247,000 | - | | |
| CARBON TAX EXP | 50,000 | | | | | | | | | | 50,000 | - | | |
| WATER & SEWAGE | 270,606 | | | | | | | | | | 270,606 | - | | |
| GARBAGE & RECYCLE | 89,400 | | | | | | | | | | 89,400 | - | | |
| FURNITURE & EQUIPMENT REPLACEMENT | 333,856 | | | 200,000 | | | 190,000 E | | | | 343,856 - | 190,000 | | |
| COMPUTER & EQUIPMENT REPLACEMENT | 671,184 | | | | | | 50,000 G | | | | 621,184 - | 50,000 | | |
| Total Expense | 69,110,877 | 0 | 0 | 0 | 200,000 | 290,009 | -825,655 | 279,450 | -812,478 | 57,294 | 71,559 | 68,371,056 - | 1,229,830 | |
| CE portable relocation | | | | | | | | | | | | | | |
| Overall impact on operational Surplus/Deficit | 3,393,884 - | 2,146,815 | 559,777 | - | - | 200,000 - | 290,009 | 825,655 | - | 279,450 | 36,973 | 22,356 | -71,559 | 1,850,812 |
| | 3,393,884 - | 2,146,815 | 559,777 | - | - | 200,000 - | 290,009 | 825,655 | - | 279,450 | 36,973 | 22,356 - | 71,559 | 1,850,812 |

Healthy balance for surplus (approx 3% revenues) **2,000,000**

SCENARIO 3

**ADJUST REVENUE AND REVERSE 2019-20 SURPLUS ITEMS
DISCONTINUE DAY CONTINUING EDUCATION PROGRAM**

| BUDGET DOLLARS | | | | | | | | | | | | |
|----------------|--------------------------------|--|---|-----------------------|--|---|---|---|--|---|------------------------------|--------------|
| A | B | C | D | E | F | G | H | I | J | K | L | M |
| 2019-20 | Revenue Adjustment (note 1) | CE revenue adjustment assuming keeping whole program (note 2) | CE investment of relocating day program (note 3) | Portables (note 4) | P/VP and exempt salary adjustments (note 5) | 2019-20 Surplus Initiatives (note 6) | One-time costs in SP funds coming back to ops (note 7) | Continuing Ed - Day Savings (note 8) | Continuing Ed Night Program Growth anticipated (note 8) | Supt's recommendations (coming March 10) | 2020-2021 Preliminary Budget | Total Change |

Expected opening balance for 2020-21 surplus

Expected closing Deficit for 2020-21 surplus

Note A - No teaching FTE has been contemplated in terms of the decrease in International education and general instruction enrolment growth. For international education, a planned reduction of 100 students is anticipated and offsetting this, is an enrolment growth of approximately 100 students. In theory, the decrease in international and increase in regular enrolment offset which is why no reduction or increase in staff is contemplated in the structural deficit. However, with international and general enrolment growth, depending on where we find enrolment pressures at various sites, that will dictate the change in teaching FTE. The adjustments to FTE for teaching staff will come at a later date. School registrations do not end until mid March, thus not all information is known at the time of the structural deficit presentation.

Note 1 - The February enrolment estimates to the Ministry of Education assume a reduction from 265.63 FTE to 147.9375 FTE - thus a reduction of \$559K was contemplated within here.

Note 2 - As per note 1 above, we have to add back \$559K to assume a status quo situation to continuing education.

Note 3 - Because we have eliminated the day CE program in this option, there would be no charge to surplus of \$500,000

Note 4 - Portables must be funded out of operational dollars. We are assuming the district may need up to 2 portables, though enrolment estimates are still being gathered. This number could change.

Note 5 - Administrator and exempt staff wages remain unfunded. Included in these estimates are 2% increase in wage to avoid compression (in line with unions) and grid increases based on time and performance measures.

Note 6 - Please see below for a breakdown of these balances

| | |
|--|------------|
| B Teacher Mentor 0.6 FTE | 52,580 |
| Fine Arts Teacher Staffing 0.5 FTE | 43,816 |
| | <hr/> |
| | 96,396 |
| Benefits | 24,099 |
| | <hr/> |
| | 120,495 |
| C Attendance management co-op student | 20,000 |
| D Tech consultant | 50,000 |
| Fine arts Massey Theatre rental | 50,000 |
| SPED review | 50,000 |
| MSP for International Students | 136,000 |
| Late 2018-19 Carryforwards | 84,160 |
| | <hr/> |
| | 370,160 |

SCENARIO 3

**ADJUST REVENUE AND REVERSE 2019-20 SURPLUS ITEMS
DISCONTINUE DAY CONTINUING EDUCATION PROGRAM**

| BUDGET DOLLARS | | | | | | | | | | | | |
|----------------|--------------------------------|--|---|-----------------------|--|---|---|---|--|---|------------------------------|--------------|
| A | B | C | D | E | F | G | H | I | J | K | L | M |
| 2019-20 | Revenue Adjustment (note 1) | CE revenue adjustment assuming keeping whole program (note 2) | CE investment of relocating day program (note 3) | Portables (note 4) | P/VP and exempt salary adjustments (note 5) | 2019-20 Surplus Initiatives (note 6) | One-time costs in SP funds coming back to ops (note 7) | Continuing Ed - Day Savings (note 8) | Continuing Ed Night Program Growth anticipated (note 8) | Supt's recommendations (coming March 10) | 2020-2021 Preliminary Budget | Total Change |
| | | | | | 50,000 | | | | | | | |
| | | | | | 25,000 | | | | | | | |
| | | | | | <u>75,000</u> | | | | | | | |
| | | | | | | 100,000 | | | | | | |
| | | | | | 20,000 | | | | | | | |
| | | | | | 70,000 | | | | | | | |
| | | | | | <u>190,000</u> | | | | | | | |
| | | | | | | 50,000 | | | | | | |

E Digital archive filing
Strategic Plan Project

F Earthquake emergency provisions
Equipment purchased after cleanliness review
Fine arts equipment purchases

G Technology infrastructure

Note 7 - These adjustments relate to one-time expenses charged to special purpose operating grants for one year only but belong to the operating grant normally.

Note 8 - As per previous analysis shown, this contemplates a reduction of 162.48 FTE funded at \$4,773 (assumed all adult learners) from the day program (representing just over 60% of the total program FTE). It assumes a reduction in teaching staffing for this student FTE reduction and 1 clerical staff member and some efficiencies gained from custodial time used to clean the existing site.

Also contemplated is a 10% shift of day time learners to the evening/late afternoon program which equates to approximately 16.2 FTE. The district is optimistic that we can retain students, however, staff think it is appropriate to be conservative in our estimates and adjust upward once we understand the full picture. With a 16.2 FTE increase, the incremental cost for teaching must be equated. We assumed that the existing clerical would be able to support this additional increase.

Please be aware that staff have only reduced the FTE of the continuing ed enrolment estimates to 147.9375 based on preliminary discussions with the board on a general direction over CE. Estimates provided to the Ministry of education may have to be further decreased by 28.587 if the board were to go ahead with the reduction in the day and late afternoon program.

SCENARIO 4
ADJUST REVENUE AND REVERSE 2019-20 SURPLUS ITEMS
DISCONTINUE DAY AND LATE AFTERNOON CONTINUING ED PROGRAM KEEP NIGHT

| BUDGET DOLLARS | | | | | | | | | | | | | |
|------------------------------------|-----------------------------|---|--|--------------------|---|--------------------------------------|--|--------------------------------------|---|--|--|------------------------------|------------------|
| A | B | C | D | E | F | G | H | I | J | K | L | M | N |
| 2019-20 | Revenue Adjustment (note 1) | CE revenue adjustment assuming keeping whole program (note 2) | CE investment of relocating day program (note 3) | Portables (note 4) | P/VP and exempt salary adjustments (note 5) | 2019-20 Surplus Initiatives (note 6) | One-time costs in SP funds coming back to ops (note 7) | Continuing Ed - Day Savings (note 8) | Continuing Ed - Late Afternoon Savings (note 9) | Continuing Ed Night Program Growth anticipated (note 10) | Supt's recommendations (coming March 10) | 2020-2021 Preliminary Budget | Total Change |
| OPERATING GRANT MINISTRY OF EDUCAT | 61,938,097 | 103,101 A | 559,777 | | | | | | | | | 61,817,280 - | 120,817 |
| OTHER MINISTRY OF EDUCATION GRANTS | 1,637,939 | | | | | | | | | | | 1,637,939 | - |
| PROVINCIAL GRANTS OTHER | 162,000 | | | | | | | | | | | 162,000 | - |
| SUMMER SCHOOL FEES | 36,190 | 3,810 | | | | | | | | | | 40,000 | 3,810 |
| CONTINUING EDUCATION | 86,100 | | | | | | | | | | | 86,100 | - |
| OFFSHORE TUITION FEES | 3,779,521 | -1,707,521 A | | | | | | | | | | 2,072,000 - | 1,707,521 |
| MISCELLANEOUS REVENUE | 169,825 | | | | | | | | | | | 169,825 | - |
| COMMUNITY USE OF FACILITIES | 255,000 | | | | | | | | | | | 255,000 | - |
| INTEREST ON SHORT TERM INVESTMENT | 500,000 | | | | | | | | | | | 500,000 | - |
| APPROPRIATED SURPLUS | 546,205 | -546,205 | | | | | | | | | | 0 - | 546,205 |
| Total Revenue | 69,110,877 | -2,146,815 | 559,777 | 0 | 0 | 0 | 0 | 0 | -775,504 | -95,268 | 87,077 | 66,740,144 - | 2,370,733 |

| | | | | | | | | | | | | | | |
|-----------------------------------|-------------------|----------|----------|----------|----------------|----------------|-----------------|----------------|-----------------|-----------------|---------------|---------------|---------------------|----------------|
| PRINCIPALS & VP SALARIES | 3,603,270 | | | | 92,384 | | 85,712 - | 71,559 | | | 71,559 | 3,781,366 | 178,096 | |
| TEACHERS SALARIES | 29,583,810 | A | | | | 96,396 B | | 477,920 - | 123,600 | 50,109 | | 28,936,003 - | 647,807 | |
| SUPPORT STAFF SALARIES | 5,435,860 | | | | | | 214,540 - | 51,899 | | | | 5,598,501 | 162,641 | |
| EDUCATIONAL ASSISTANTS SALARIES | 5,703,365 | | | | | | | | | | | 5,703,365 | - | |
| OTHER PROFESSIONAL SALARIES | 2,750,203 | | | | 147,293 - | 20,000 C - | 66,142 | | | | | 2,811,354 | 61,151 | |
| SUBSTITUTE SALARIES | 2,082,175 | | | | | | | | | | | 2,082,175 | - | |
| EMPLOYEE BENEFITS | 12,165,933 | | | | 50,332 - | 24,099 B | 45,340 - | 150,345 - | 30,900 | 12,527 | | 12,068,789 - | 97,144 | |
| SERVICES | 2,403,790 | | | | | 370,160 D | | | | | | 2,033,630 - | 370,160 | |
| LEGAL COSTS | 135,000 | | | | | | | | | | | 135,000 | - | |
| STUDENT TRANSPORTATION | 180,419 | | | | | | | | | | | 180,419 | - | |
| PROFESSIONAL DEVELOPMENT & TRAVEL | 517,965 | | | | | | | | | | | 517,965 | - | |
| RENTALS & LEASES | 233,400 | | | | | | | | | | | 233,400 | - | |
| DUES & FEES | 91,400 | | | | | | | | | | | 91,400 | - | |
| INSURANCE | 111,000 | | | | | | | | | | | 111,000 | - | |
| SUPPLIES | 1,956,741 | | | | | 75,000 E | | 60,755 - | 7,365 | | | 1,813,621 - | 143,120 | |
| UTILITIES | 494,500 | | | | | | | | | | | 494,500 | - | |
| GAS - HEAT | 247,000 | | | | | | | | | | | 247,000 | - | |
| CARBON TAX EXP | 50,000 | | | | | | | | | | | 50,000 | - | |
| WATER & SEWAGE | 270,606 | | | | | | | | | | | 270,606 | - | |
| GARBAGE & RECYCLE | 89,400 | | | | | | | | | | | 89,400 | - | |
| FURNITURE & EQUIPMENT REPLACEMENT | 333,856 | | | 200,000 | | 190,000 F | | | | | | 343,856 | 10,000 | |
| COMPUTER & EQUIPMENT REPLACEMENT | 671,184 | | | | | 50,000 G | | | | | | 621,184 - | 50,000 | |
| Total Expense | 69,110,877 | 0 | 0 | 0 | 200,000 | 290,009 | -825,655 | 279,450 | -812,478 | -161,865 | 62,637 | 71,559 | 68,214,534 - | 896,343 |

| | | | | | | | | | | | | | | |
|---|--------------------|------------------|----------------|----------|------------------|----------------|------------------|----------------|---------------|---------------|-----------------|---------------|-----------|------------------|
| CE portable relocation | | | | | | | | | | | | | | |
| Overall impact on operational Surplus/Deficit | 3,393,884 - | 2,146,815 | 559,777 | - | 200,000 - | 290,009 | 825,655 - | 279,450 | 36,973 | 66,597 | 24,440 | -71,559 | 621,184 - | 1,919,494 |
| | 3,393,884 - | 2,146,815 | 559,777 | - | 200,000 - | 290,009 | 825,655 - | 279,450 | 36,973 | 66,597 | 24,440 - | 71,559 | | 1,919,494 |

Healthy balance for surplus (approx 3% revenues) 2,000,000

Expected opening balance for 2020-21 surplus
 Expected closing Deficit for 2020-21 surplus

Note A - No teaching FTE has been contemplated in terms of the decrease in International education and general instruction enrolment growth. For international education, a planned reduction of 100 students is anticipated and offsetting this, is an enrolment growth of approximately 100 students. In theory, the decrease in international and increase in regular enrolment offset which is why no reduction or increase in staff is contemplated in the structural deficit. However, with international and general enrolment growth, depending on where we find enrolment pressures at various sites, that will dictate the change in teaching FTE. The adjustments to FTE for teaching staff will come at a later date. School registrations do not end until mid-March, thus not all information is known at the time of the structural deficit presentation.

Note 1 - The February enrolment estimates to the Ministry of Education assume a reduction from 265.63 FTE to 147.9375 FTE - thus a reduction of \$559K was contemplated within here.

Note 2 - As per note 1 above, we have to add back \$559K to assume a status quo situation to continuing education.

Note 3 - Because we have eliminated the day CE program in this option, there would be no charge to surplus of \$500,000

Note 4 - Portables must be funded out of operational dollars. We are assuming the district may need up to 2 portables, though enrolment estimates are still being gathered. This number could change.

Note 5 - Administrator and exempt staff wages remain unfunded. Included in these estimates are 2% increase in wage to avoid compression (in line with unions) and grid increases based on time and performance measures.

Note 6 - Please see below for a breakdown of these balances

| | |
|--|----------------|
| B Teacher Mentor 0.6 FTE | 52,580 |
| Fine Arts Teacher Staffing 0.5 FTE | 43,816 |
| | <u>96,396</u> |
| Benefits | 24,099 |
| | <u>120,495</u> |
| | |
| C Attendance management co-op student | 20,000 |
| | |
| D Tech consultant | 50,000 |
| Fine arts Massey Theatre rental | 50,000 |
| SPED review | 50,000 |
| MSP for International Students | 136,000 |
| Late 2018-19 Carryforwards | 84,160 |
| | <u>370,160</u> |
| | |
| E Digital archive filing | 50,000 |
| Strategic Plan Project | 25,000 |
| | <u>75,000</u> |
| | |
| F Earthquake emergency provisions | 100,000 |
| Equipment purchased after cleanliness review | 20,000 |
| Fine arts equipment purchases | 70,000 |
| | <u>190,000</u> |
| | |
| G Technology infrastructure | 50,000 |

Note 7 - These adjustments relate to one-time expenses charged to special purpose operating grants for one year only but belong to the operating grant normally.

Note 8 - As per previous analysis shown, this contemplates a reduction of 162.48 FTE funded at \$4,773 (assumed all adult learners) from the day program (representing just over 60% of the total program FTE). It assumes a reduction in teaching staffing for this student FTE reduction and 1 clerical staff member and some efficiencies gained from custodial time used to clean the existing site.

Note 9 - As per previous analysis shown, this contemplates a reduction of 19.96 FTE funded by \$4,773 (assumed all adult learners) from the late afternoon program (representing about 8% of the total program FTE). It assumes a reduction in the staffing for this student FTE reduction only. No clerical adjustment is contemplated here, though staffing in general will be examined subsequent to a decision made by the board.

Note 10 - Also contemplated is a 10% shift of day time and late afternoon learners to the evening program which equates to approximately 18.2 FTE. The district is optimistic that we can retain students, however, staff think it is appropriate to be conservative in our estimates and adjust enrolment upward once we understand the full picture. With a 18.2 FTE increase, the incremental cost for teaching must be equated. We assumed that the existing clerical would be able to support this additional increase.

Please be aware that staff have only reduced the FTE of the continuing ed enrolment estimates to 147.9375 based on preliminary discussions with the board on a general direction over CE. Estimates provided to the Ministry of education may have to be further decreased by 46.55 FTE if the board were to go ahead with the reduction in the day and late afternoon program.