



**School District 63 Saanich
Budget 2021/22
Community Budget Meeting**

Thursday, April 15 at 7:00 p.m.

Overview of Meeting

7:00 pm Introductory Comments

7:15 pm Presentation and Q and A

8:00 pm Breakout Room Session

8:30 pm Final Comments and Next Steps

8:45 pm Adjourn

Overview of Presentation

- ✓ About the Saanich School District
- ✓ Budget Planning Timeline
- ✓ How School District Budgeting Works
- ✓ The Context for Budget 2021/22
- ✓ Priorities for 2021/22
- ✓ Balancing the 2021/22 Budget
- ✓ Budget Survey

About the Saanich School District

The Saanich School District serves almost 8,000 student FTE in:

- ✓ 17 schools including the South Island Distance Education School (SIDES), Individual Learning Centre (ILC), and Continuing Education
- ✓ Children's Development Center
- ✓ Saanich International Student Program

Budget Planning Timeline

January 28, 2021	Budget Advisory Committee
February 17, 2021	Board Meeting
February 25, 2021	Budget Advisory Committee
March 10, 2021	Board Meeting
March 12, 2021	Operating Funding Announced
April 8, 2021	Budget Advisory Committee
April 14, 2021	Board Meeting
April 15, 2021	Virtual Community Budget Meeting
April 20, 2021	Provincial Budget Released
April 22, 2021	Management Team Working Session
April 29, 2021	Budget Advisory Committee
May 5, 2021	Special Board Budget Meeting
May 19, 2021	Board Meeting (final approval)

How School District Budgeting Works

- ▶ School Boards adopt two budgets for each fiscal year:
 - ▶ A preliminary budget is adopted before the end of June for the following fiscal year based on forecasted enrolment; and
 - ▶ An amended budget is adopted before February reflecting actual fall enrolment and funding.
- ▶ The budget consultation process informs decisions regarding priorities for both the preliminary and amended budgets, and future budget planning.

How School District Budgeting Works, continued

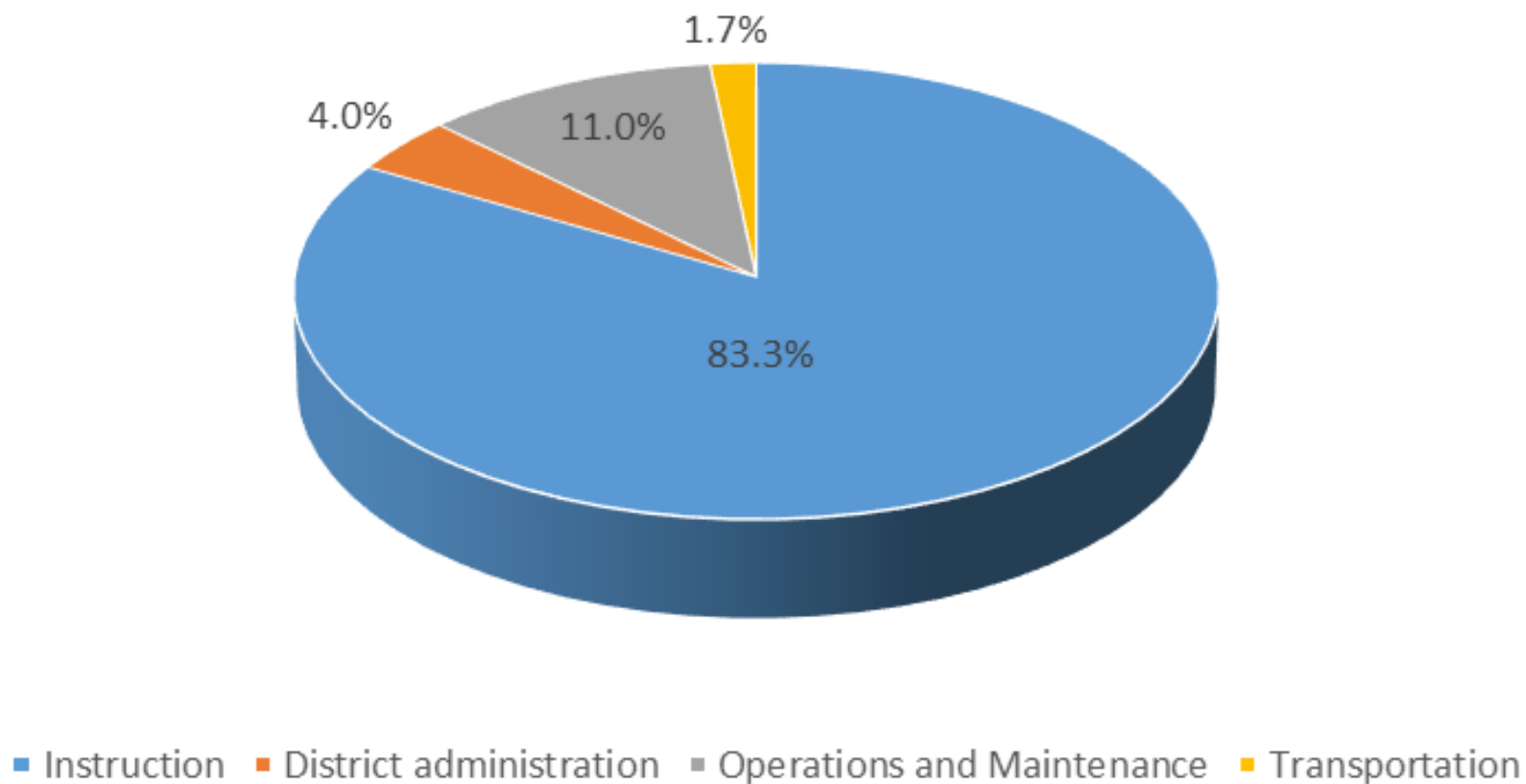
- ▶ School districts are required to budget for three funds - operating fund, special purpose fund and capital fund
- ▶ The budgetary process focuses primarily on the operating fund, because funding in the special purpose and capital funds are targeted for specific purposes.
- ▶ The school act and ministerial orders require that the operating fund remains in an accumulated surplus position - this means that revenues from all previous years must exceed expenses from all previous years

2020/21 Budgeted Operating Revenues

Revenue Source	\$ millions	% of total
Provincial Grants	\$73.0	92.2%
Tuition (international program)	\$1.6	2.0%
Direct funding from First Nations	\$3.0	3.8%
Homestay fees (international program)	\$0.6	0.8%
Other Revenues	\$1.0	1.3%
Total	\$79.2	100.0%

How Operating Revenues are Spent

2020/21 Budgeted Operating Expenditures



The Context for Budget 2021/22

- ✓ Enrolment and Funding
- ✓ Accumulated Operating Surplus
- ✓ Projected 2021/22 Budget Balance
- ✓ Budget Risks

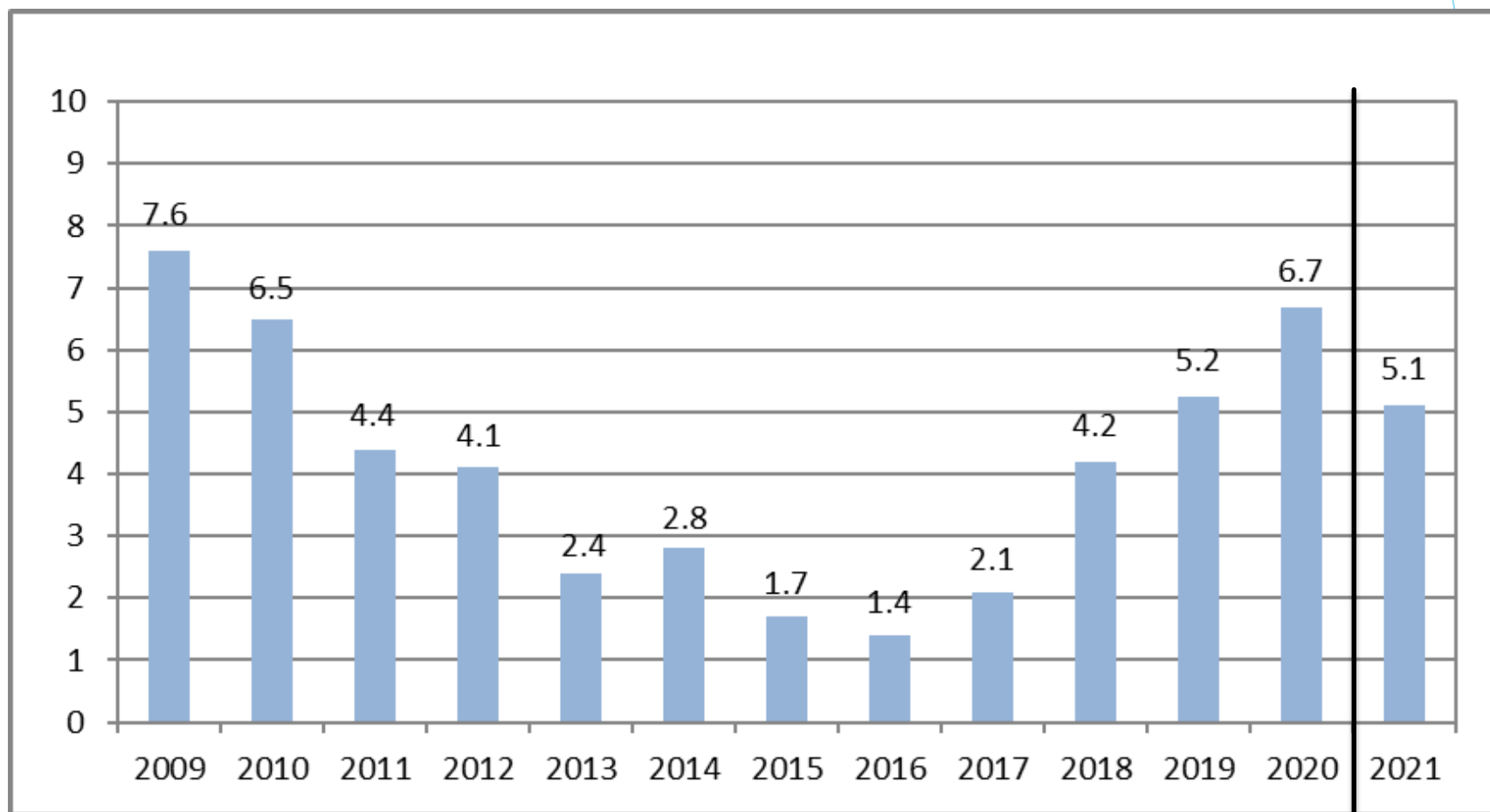
2021/22 Enrolment Forecast

Domestic Fall Enrolment	2019/20 Actual	2020/21 Actual	2021/22 Forecast	Increase/ (Decrease)
Distributed Learning	287	800	480	-320
Neighbourhood Schools	6,835	6,606	6,710	104
Total Domestic	7,122	7,406	7,190	-216
International Program	2019/20 Actual	2020/21 Forecast	2021/22 Forecast	Increase/ (Decrease)
Annual FTE	320	130	200	70

Operating Funding

- ▶ Funding rate increase for 2021/22 does not fully fund inflationary budget pressures (\$0.8 million shortfall)
- ▶ Transitional funding for enrolment decline in 2021/22 (\$0.7 million)
- ▶ Funding formula favours growing school districts because funding growth generally exceeds incremental program cost
 - ▶ Growing districts can more easily fund inflationary pressures and new priorities
 - ▶ Districts with static or declining enrolment face greater budget pressure

Accumulated Operating Surplus (\$ millions) by Fiscal Year



← Actual Results | Projection

Accumulated Operating Surplus

- ▶ To balance this years' budget (2020/21), the Board appropriated \$3.9 million of the accumulated surplus balance to fund continuing expenditures.
 - ▶ To appropriate this amount it was necessary to reduce the contingency reserve from \$1.7 million to \$0.7 million.
 - ▶ An annual appropriation of accumulated surplus in excess of about \$1 million is not sustainable longer term.
- ▶ Savings relative to budget and additional funding for pandemic costs reduced the depletion of accumulated surplus relative to budget.
- ▶ We are forecasting that \$1.6 million will be consumed and \$2.3 million will be available to fund expenditures in 2022/23 or rebuild the contingency reserve.

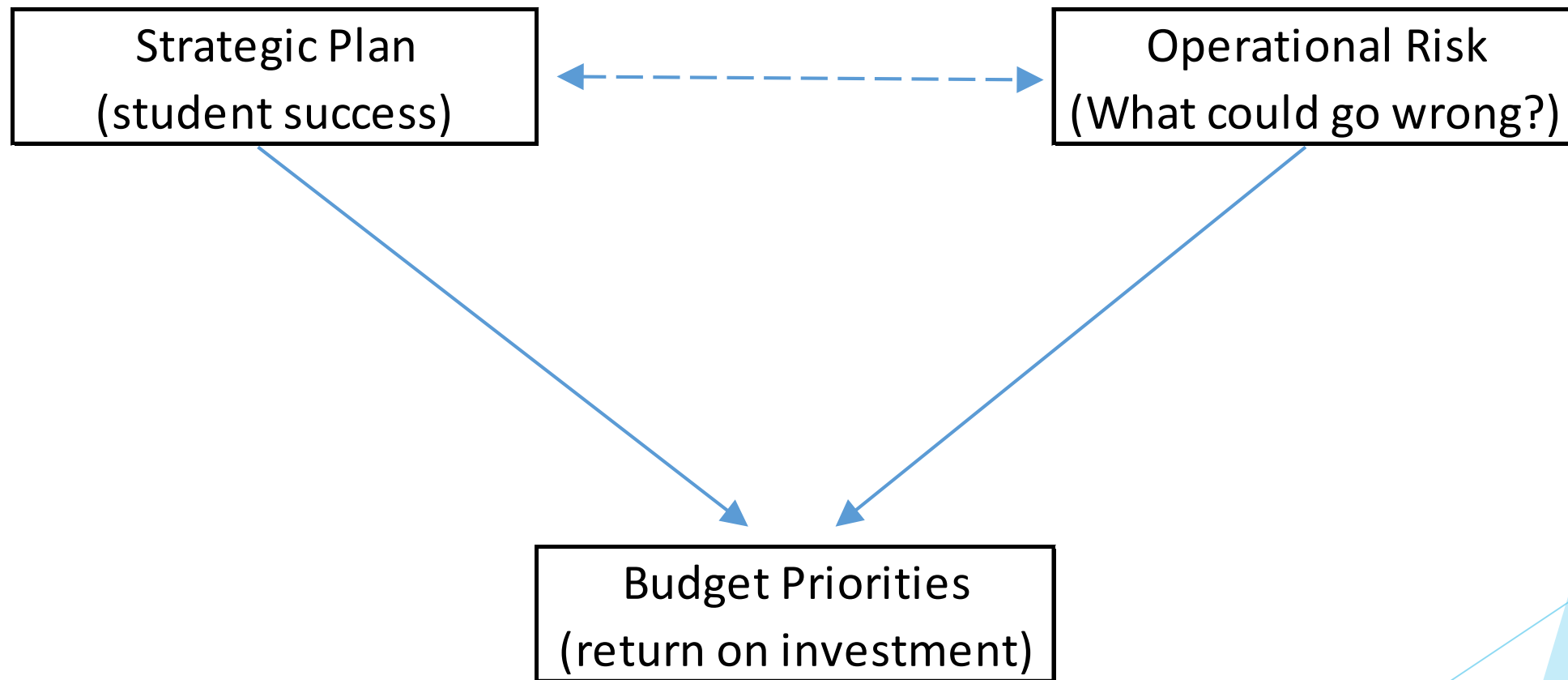
Projected 2021/22 Budget Balance

- ▶ The budget for 2021/22 can be balanced by appropriating forecasted accumulated surplus of \$2.2 million, but without funding any new priorities.
- ▶ Appropriating \$2.2 million in accumulated surplus is not sustainable longer term.
- ▶ Forecasted accumulated surplus and forecasted fall enrolment are conservative.

Budget Risks

- ▶ Budget Sustainability - Significant budget pressure could occur in 2022/23 (the year after next), if accumulated surplus reserves are depleted further, enrolment growth decreases, and underfunding of annual inflationary pressures continues.
- ▶ Provincial Delivery Model for Online Learning - if SIDES is not selected as a Provincial service provider, DL enrolment in 2022/23 will decrease significantly
- ▶ Pandemic - additional program costs result in 2021/22 and are not funded.

Priorities for Budget 2021/22



Identified Budget Priorities

- ◆ Restore temporary reduction to IT infrastructure budget (\$250,000)
- ◆ Elementary School Daytime Custodial Support (\$143,000)
- ◆ Educational Program Priorities (\$100,000)
- ◆ Increase Contingency Reserve (TBD)

Proposed Option for Balancing the Budget

- ▶ Balance the preliminary 2021/22 operating budget without funding new priorities, by appropriating \$2.2 million in accumulated operating surplus.
- ▶ Fund additional priorities as financial circumstances allow.

Budget Survey

- ▶ The survey is the primary tool for gathering feedback and closes on April 22, 2021 (end of the day)
- ▶ Additional background information and the link to the survey is available on the district website
- ▶ The results of the survey will be reviewed by the Budget Advisory Committee on April 29, 2021.

Budget Survey Questions

The budget survey includes the following questions:

- ▶ Do you agree with the proposed approach to balancing Budget 2021/22?
- ▶ Do you agree with the identified priorities and how do you rank these priorities?
- ▶ Are there other strategic or operational priorities the Board should reflect in the budget?
- ▶ What further advice do you have for the Board?

Questions and Answers

Breakout Room Discussion

Breakout Room Discussion Topics:

1. Program Sustainability - during times of uncertainty, how should the Board balance funding priorities with ensuring programs are financially sustainable?
2. Strategic Priorities - do you have advice for the Board regarding how the strategic plan should inform priorities in the budget?

Breakout Discussion (15 minutes) followed by reporting out/discussion (15 minutes)



Thank you for your support today.

Contacts:

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