

2022/23 Budget Consultation Background Document – April 25, 2022

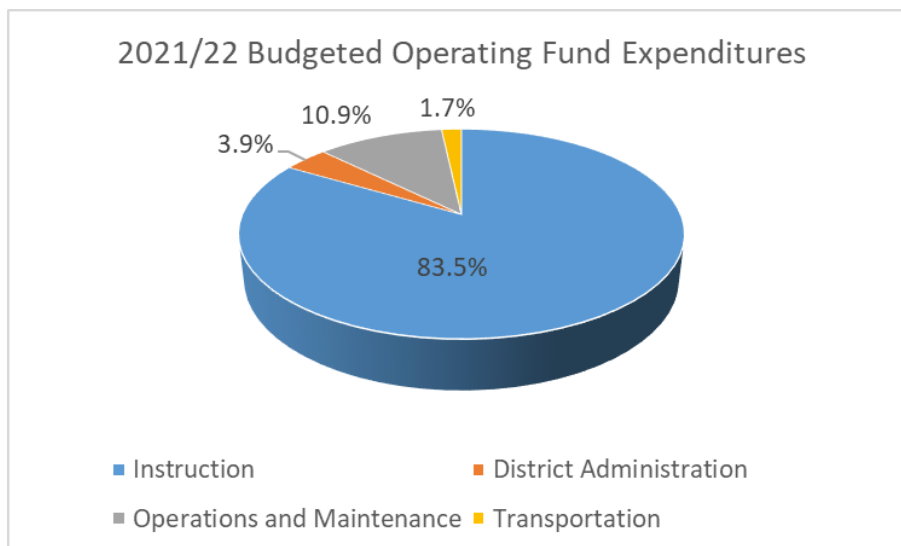
The Board of Education is seeking your input in determining budget priorities for the 2022/23 budget year (July 1, 2022 to June 30, 2023) and beyond, through completion of a survey and participation in a Community Budget Meeting on May 4th at 7pm at Bayside Middle School, 1101 Newton Place, Brentwood Bay. To inform completion of the survey this document provides further background on the Saanich School District, the budget consultation process, and budget context for 2022/23.

About the Saanich School District

The Saanich School District enrolls close to 8,000 students in a number of neighbourhood and special program schools. Neighbourhood schools include eight elementary schools, three middle schools, and three secondary schools. The district also provides educational programming at the Children's Development Centre, two Individual Learning Centres, a Kindergarten to Grade 12 online learning school called SIDES (South Island Distance Education School), and at SISP (Saanich International Student Program).

In the 2021/22 budget, the district budgeted for revenues of \$84.0 million in the operating fund¹. These revenues were comprised of provincial grants (\$74.2 million); direct funding from First Nations (\$3.2 million); international student tuition (\$3.5 million); international student homestay fees (\$2.0 million); and other revenues (\$1.1 million). In the 2021/22 annual budget, the Board appropriated an additional \$2.4 million in prior year accumulated surplus to fund continuing operating expenditures.

As shown below, in the 2021/22 budget the Saanich School District invested 83.5% of the operating budget in instructional programs.



¹ Additional targeted program funding/revenues are reported in the special purpose fund (\$12.2 million in the 2021/22 budget). Most special purpose funding is directed to Instructional programs.

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Operations and Maintenance was 10.9% of 2021/22 budgeted expenditures and includes facilities/grounds maintenance, custodial, information technology, health and safety, and utilities. The district operates 20 facilities and approximately 960,000 square feet of space.

District administration was 3.9% of 2021/22 budgeted expenditures and includes Board governance, educational leadership, finance and payroll, human resources, and communications.

Transportation costs, including the operations of the school bus fleet, was 1.7% of 2021/22 budgeted expenditures.

2021/22 Budget Consultation Process

In November 2021, the Board approved the [2021/22 Budget Guiding Principles](#) to guide the budget consultation process. These principles include that the Saanich Board of Education will keep support for students at the forefront of its decisions. As the Board recognizes public education is the responsibility of the whole community, community engagements is key to the decision making process.

School Boards adopt two budgets in each fiscal year:

- A preliminary budget is adopted before the end of June for the following fiscal year based on forecasted enrolment and revenues; and
- An amended budget is adopted before February during the fiscal year reflecting actual fall enrolment and funding.

This budget consultation will inform decisions regarding priorities for the preliminary and amended budgets for 2022/23, and planning for future budgets. The consultation process is overseen by the Budget Advisory Committee (BAC), which provides advice to the Board of Education. Documents related to the 2022/23 budget consultation process are posted to the [consultation site](#) throughout the process. More information on the budget context, priorities, and alternatives for balancing Budget 2022/23, as summarized below, can be found in the April 26, 2022 BAC meeting materials.

Context for Budget 2022/23

Unfunded Inflationary Pressures

The Saanich School District is forecasting budget pressure in 2022/23 because inflationary pressures are not being funded. A contributing factor is also that the funding formula in BC is disproportionately leveraged to enrolment change. As enrolment grows funding generally increases faster than enrolment-based program costs, and as enrolment declines funding decreases faster than enrolment-based program costs. And because inflationary pressures are not being funded, even a school district with stable enrolment will experience growing budget pressure each year that can only be addressed over

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time through program reductions. In May 2021 and again in February 2022, the Saanich Board of Education [wrote](#) to Minister of Education regarding these Education funding concerns.

Provincial funding rates for 2022/23 are unchanged from the 2021/22 funding rates. While the Ministry of Education has confirmed provincially negotiated collective agreements will be funded through a separate special grant, no other annual inflationary cost pressures will be funded in 2022/23.

Unfunded inflationary pressures in 2022/23 are approximately \$1.2 million and are more significant than in previous years. These inflationary pressures include salary inflation, recent changes to the Employment Standards Act related to minimum illness and injury leave benefits; Canada Pension Plan (CPP) rate increases; medical/dental plan premium increases; and cost escalation in utilities, fuel, and software licenses. In April 2022, the Saanich Board of Education [wrote](#) to the Minister of Education to protest that recent changes to the Employment Standards Act had not been funded.

Enrolment in Saanich schools overall is not forecasted to grow in 2022/23. Without enrolment growth and without inflationary costs being reflected in 2022/23 funding rates, funding available for programs is effectively being reduced.

In order to restore budgetary balance, it is necessary to either increase revenues or reduce program expenditures by \$1.0 million. Following discussions with the Ministry of Education, we are comfortable that we can likely make the case for increased funding of \$345,000 through the Classroom Enhancement Fund, which funds the class size and composition contractual requirements restored in the fall of 2017. While there is a risk this funding increase will not be approved, we recommend it is reflected in budget planning so that program impacts in 2022/23 are minimized.

With this additional revenue reflected, program reductions of \$655,000 are necessary to balance the 2022/23 Preliminary Budget.

Strategic Budget Priorities

The Board of Education adopted a [new strategic plan](#) in March 2022 focusing on the following four priority areas:

- Literacy
- Indigenous Learner Success
- Mental Health and Wellness
- Global Citizenship

Implementation of these priorities is driving change to operational plans and the deployment of existing resources. This includes the deployment of district and teacher leadership capacity, and curriculum and professional development budgets in support of improving performance in these priority areas. The strategic plan is also driving changes to the deployment of instructional program resources including, but not limited to the following:

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- reallocation of literacy program resources to a broader early intervention program with an equity lens;
- expansion of SENĆOŦEN language instruction in elementary schools; and,
- expansion of Mental Health Literacy and Digital Literacy programs for students.

There are no program reductions which will not negatively impact either strategic priorities or priorities for [appropriately managing operational risks](#). In determining alternatives for consideration in balancing Budget 2022/23, the options being proposed are those that are possible and that will have less overall impact on identified priority areas.

Alternatives for Balancing Budget 2022/23

When determining potential alternatives for balancing the budget, the following was considered: comparative budget analysis with similar school districts (benchmark districts), plans to operationalize strategic and risk management priorities, collective agreement obligations, and other relevant contextual information.

The following observations were made when comparing the Saanich budget to the average of 4 similar BC school districts (Comox, Cowichan, Campbell River, and Mission). When looking at budget allocated per student FTE, in comparison to these benchmark districts Saanich budgets:

- more on instruction in relation to the basic funding allocation (adjusted for differences in supplemental funding for unique needs).
- more on special education and English language learning, overall and in relation to the supplemental funding received for unique student needs.
- within special education, significantly more on Teacher and Other Professional staffing and less on Education Assistant staffing.
- Less on other instructional programs including regular instruction, career programs, library services, and counselling.
- Less is allocated overall to district administration and operations and maintenance.
- More is allocated overall to information technology.
- Less is allocated to service, supplies, and equipment replacement overall and particularly in the operations, maintenance, and information technology functions.

The detailed analysis can be found in section 5 of the Budget Facts Package in the [April 7, 2022 BAC meeting materials](#).

Function 1 (Instruction) (83.5% of Operating Budget)

Regular Instruction is the largest program within the Instruction function, with the majority of expenditures within regular instruction being teacher staffing. However, as current enrolling teacher staffing levels are required to meet class size requirements (Teacher's collective agreement), there is limited opportunity to reduce budgets in regular instruction. Similarly, teacher staffing comprises the

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majority of budgets in Library Services and in Counselling and these staffing levels are just above what is required contractually.

There are other programs without contractual restrictions, but where present budget allocations are considered necessary for basic program operation (example: Career Programs), or necessary for supporting strategic priorities (example: Indigenous Education).

The two areas where it is possible to make budget reductions are English Language Learning (ELL) and Special Education, which are discussed further below.

English Language Learning (ELL)

In Saanich, the ELL program staffing budget equals 129% of the supplemental funding received for students designated for English Language Learning. In comparison, this average in the benchmark districts is 113%. If the ELL teacher staffing allocation was reduced by 1.0 FTE, the Saanich allocation would be approximately 116% of supplemental funding (still above but closer to the average).

Special Education

Saanich budgets \$127 per student FTE more on special education salaries and benefits overall compared to the benchmark district's average, but receives \$33 per student FTE less in supplemental funding for students with special needs designations. Saanich budgets \$77 per student FTE less on Education Assistant salaries relative to the comparison district's average (excluding benefits). Saanich budgets \$165 per student FTE more on salaries for Teacher, Other Professionals², and non-enrolling teaching assignments for School Administrators. When benefits are included and when grossed up to Saanich enrolment, this variance is equivalent to additional budget allocation of approximately \$1.6 million.

Saanich has historically recognized the value of these specialist teacher positions in supporting classroom complexity by funding staffing levels well above those required by collective agreement ratios. In 2016/17, the district was staffed 9.4 FTE above the blended contractual ratio to be restored in 2017/18 for Learning Assistance, Special Education Resource and ELL Teacher positions. During the restoration year, the district advocated for additional restoration funding, and received additional funding allowing staffing in these categories to be increased further in 2018/19 to 18.2 FTE above the contractual ratio (by maintaining the historical operating fund budget and increasing staffing further with targeted funding). The majority of this overage relative to contractual requirement (14.85 FTE) was in the Special Education Resource Teacher category (Behavior Support (BS) and Integration Support (IST)). This was done because of the value of these positions in supporting classroom complexity, and because the district was financially able to continue allocating additional funding from the operating fund.

² In SD63 other professionals in function 1 (Instruction) are speech pathologists and psychologists.

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Learning Assistance (LA) positions directly support the Literacy Goal in the new Strategic Plan and there has actually been a net decrease in FTE since 2016/17. Maintaining these positions is necessary for implementing planned strategies to improve Literacy results.

Integration Support (IST) and Behavior Support (BS) teacher positions support the Mental Health and Wellness Goal strategic plan goal. However, as staffing in IST/BS positions is where SD63 has historically invested its available discretionary funds with significant staffing increases in recent years, it is also where reductions are most feasible in comparison with reductions in other program areas. An additional factor is the potential for contractual remedy to be used more effectively to support classroom complexity.

Teachers in Saanich receive approximately \$1.5 million annually in contractual remedy to support classroom complexity, significantly more than the Provincial average. Contractual remedy funds additional teacher time, and teachers can choose to use remedy to be released for preparation time, increase non-enrolling teacher support, fund additional enrolling staffing for co-teaching, or other remedies as the local parties may agree to. It is the view of the senior leadership team that the most effective support for classroom complexity is increased non-enrolling teacher support; however, allocating remedy to non-enrolling support has been challenging in part because its use is determined by each teacher in accessing their remedy bank, and because non-enrolling teachers are not available on a call-in basis.

Unused remedy at the end of the last school year (June 30, 2021) was equivalent to approximately 7.0 teacher full-year FTE and the unused balance is expected to be similar at the end of this school year. Over the past few years we have worked with the Saanich Teachers' Association (STA) to improve how remedy is used. Beginning this year the STA has agreed that unused remedy in excess of 10 days will automatically be contributed to school staffing committees, and we are hopeful this will shift remedy to fund more non-enrolling teacher support in the future.

Given all of the factors above, a reduction of 4.0 FTE in the category of Special Education Resource Teacher is recommended. Reductions will be smaller at elementary schools as inclusive education teams are smaller to begin with, there is less remedy available to elementary teachers (more undesignated need), and because of the importance of focusing on early intervention where it will have a greater impact on learning and development.

Administrative and Operational Functions (16.5% of Operating Budget)

District administration is 3.9% of budgeted expenditures and includes Board governance, educational leadership, finance and payroll, human resources, and communications. Salaries and benefits in this area are 7% lower than the average of benchmark districts, and service and supply budgets are just below average.

Operations and Maintenance is 10.9% of 2021/22 budgeted expenditures and includes facilities/grounds maintenance, custodial, information technology, health and safety, and utilities. Facilities operations



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budgets overall are lower and service and supply budgets are significantly lower in comparison to benchmark school districts. The Information Technology staffing budget is higher than in benchmark districts and the IT infrastructure budget is lower.

Transportation, including the operations of the school bus fleet, is 1.7% of 2021/22 budgeted expenditures, and is driven by service levels.

There are limited opportunities to find budgetary savings in the administrative and operational areas, as historically budget reductions had been more concentrated in these functions. However, a further reduction of \$123,500 is being proposed to administration/operations budgets, and/or in service and supply budgets in any function. District staff are still reviewing these possible further areas of reduction, and final recommendations will reflect what is learned through the community consultation.

Summary of Proposed Budget Changes

The proposed budget changes outlined in this background document are summarized below:

Apply for Increased Funding Allocation	345,000
Reduce ELL Teacher Allocation by 1.0 FTE	106,300
Reduce IST/BS Teacher Allocation by 4.0 FTE	425,200
Reduce administration/operation and/or service and supplies (TBD)	123,500
Total Proposed Budget Changes	1,000,000

Next Steps in Budget Process

The Board of Education is seeking your input in determining priorities for Budget 2022/23, through completion of a survey and participation in an In-person Community Budget Meeting on May 4th at 7pm at Bayside Middle School.

More information on the budget consultation process including detailed documents supporting 2022/23 budget planning are available on the district's [budget consultation site](#). If you have questions about the budget consultation process, please contact the Office of the Secretary Treasurer at 250-652-7332.