Budget Advisory Committee

Date: November 15, 2021

Presented to: Budget Advisory Committee Meeting 1

Presented by: Kim Morris, Secretary-Treasurer

Traditional Acknowledgement

The Greater Victoria School District wishes to recognize and acknowledge the Esquimalt and Songhees Nations on whose traditional territories we live, we learn, and we do our work.

Election of Chair

- The committee is chaired by a trustee
- Call for nominations: text to Kim & Deb
- ST will ask nominees if they accept or decline
- If only one trustee accepts, chair by acclamation
- If two or more trustees accept, chair election
- TRUSTEES ONLY text vote to Kim & Deb
- Announcement of Chair
- ST passes the gavel to the Chair

Introductions

- Tell us about yourself
  - Your name
  - Group you are representing
  - Position in the group you are representing
  - School(s) or site(s) you are associated with, if any
  - Where you are from
  - A bit about your background
  - Why you volunteered to participate in the Budget Advisory Committee
  - What you're hoping to offer and to gain from the process/committee

Values/Guiding Principles

- On page 2 of your agenda pack-up you will find the values/guiding principles approved by the Board

- Values
  - are something that you stand for — something that you believe in strongly. It is the reason why you do things
  - subjective, personal, emotional, and arguable.

- Guiding principles
  - are any principles or precepts that guide an organization throughout its life in all circumstances, irrespective of changes in its goals, strategies, type of work or changes in leadership
  - objective, factual, impersonal, and self-evident because they are indisputable.

Values/Guiding Principles

- In your breakout room choose a note taker and someone to report out

- 10 minutes

- Discussion:
- How will these statements help the budget process?
- How do you see the Committee's work helping to uphold these statements?
- Are there other considerations or questions?

Values/Guiding Principles

- Report out

Terms of Reference

- On page 4 of your agenda pack-up you will find the draft Terms of Reference YET TO BE approved by the Board

- Purpose
  - Why

- Composition & Operations
  - Who and How

- Duties & Responsibilities
  - What

Terms of Reference

- In your breakout room choose a note taker and someone to report out

- 10 minutes

- Discussion:
- Do we have the right people at the table? Are we missing anyone?
- Share your thoughts about how the Committee can function effectively under the ToR
- If the duties and responsibilities are achieved, will you have fulfilled your personal reasons for participating on the committee? If not, why not?
- Are there other considerations or questions?

Terms of Reference

- Report out

April 2022 Deadline

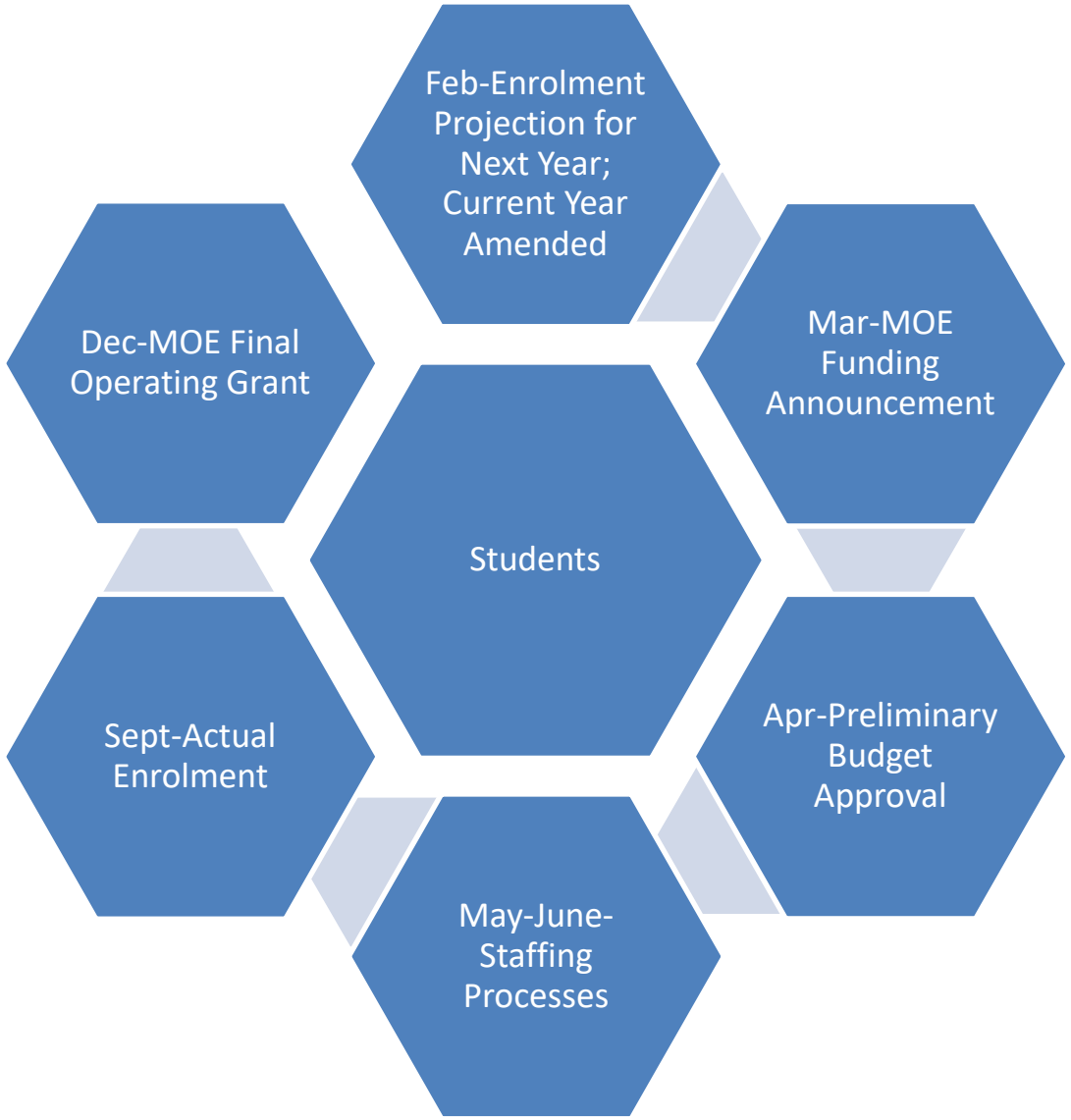
- Importance of the deadline
  - Collective agreement obligations
  - Collaboration
  - Stability for school staff and Principals/Vice-Principals
  - Efficiency of workflow for District Administration
  - Optimal planning and preparation time for staff before school starts
  - Assists in a more seamless start up

Budget Orientation

Budget Orientation

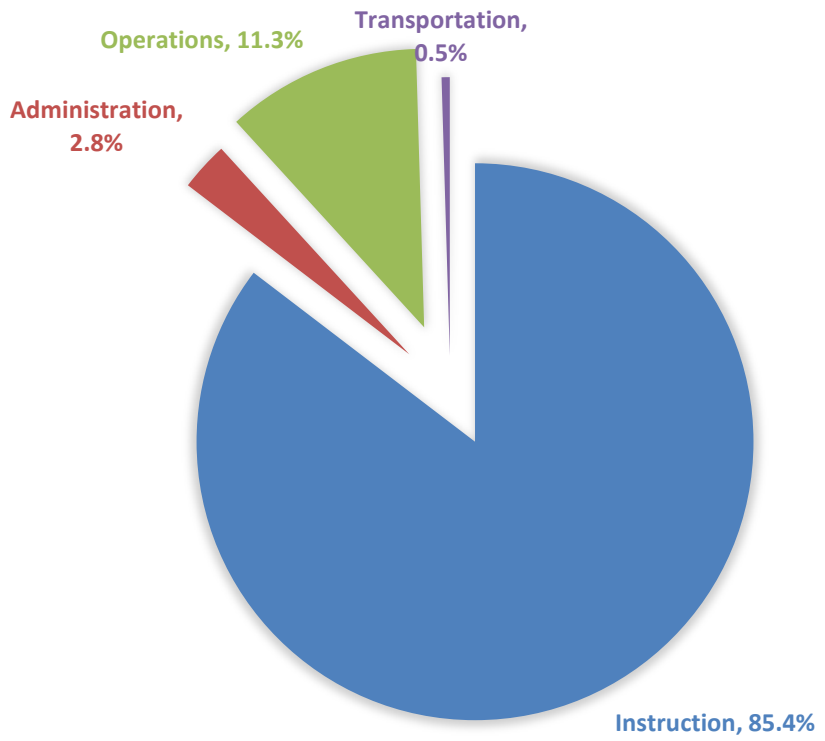
- On page 8 of your agenda pack-up is the 2021-2022 Preliminary Budget

- Budget & financial statements are consolidated (pack-up pages 11-13)
  - Operating fund (pack-up pages 14-18)
  - Special purpose fund (pack-up pages 19-21)
  - Capital (pack-up page 22)



Budget Cycle

Operating Expenses



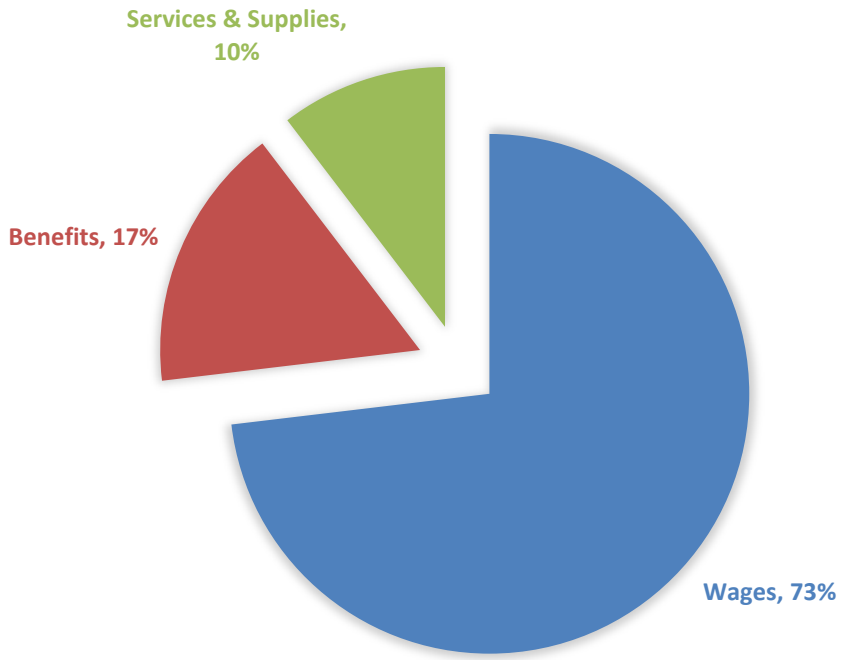
Instruction –relates to delivery of learning experiences: Teachers, Principals and Vice-Principals, Education Assistants, technology for the classroom, textbooks, curricular and extra curricular travel

Administration –relates to running the district: Superintendent, learning and inclusion leaders, finance, human resources, payroll, software, legal, audit

Operations –relates to the maintenance and upkeep of buildings, grounds and technology: plumbers, electricians, carpenters, custodians, groundspeople, computer technicians

Transportation –relates to getting students to and from school each day bussing staff, contractors and trips

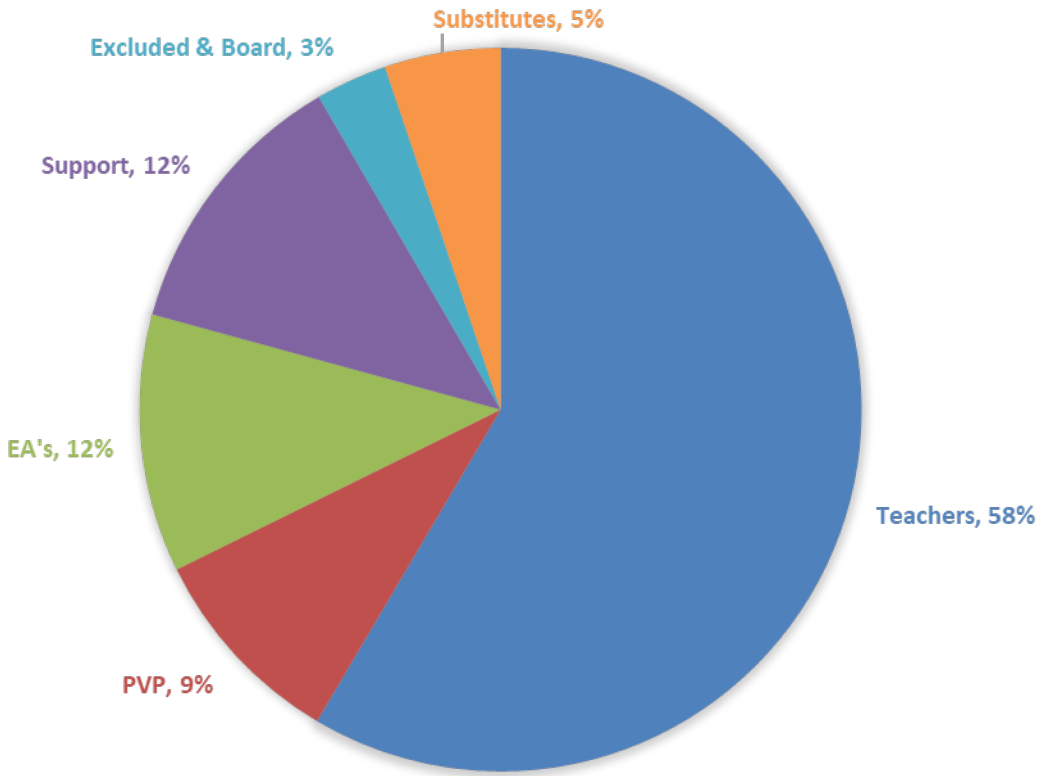
Operating Expenses



Paying people their wages and benefits takes up approximately **90%** of the budget

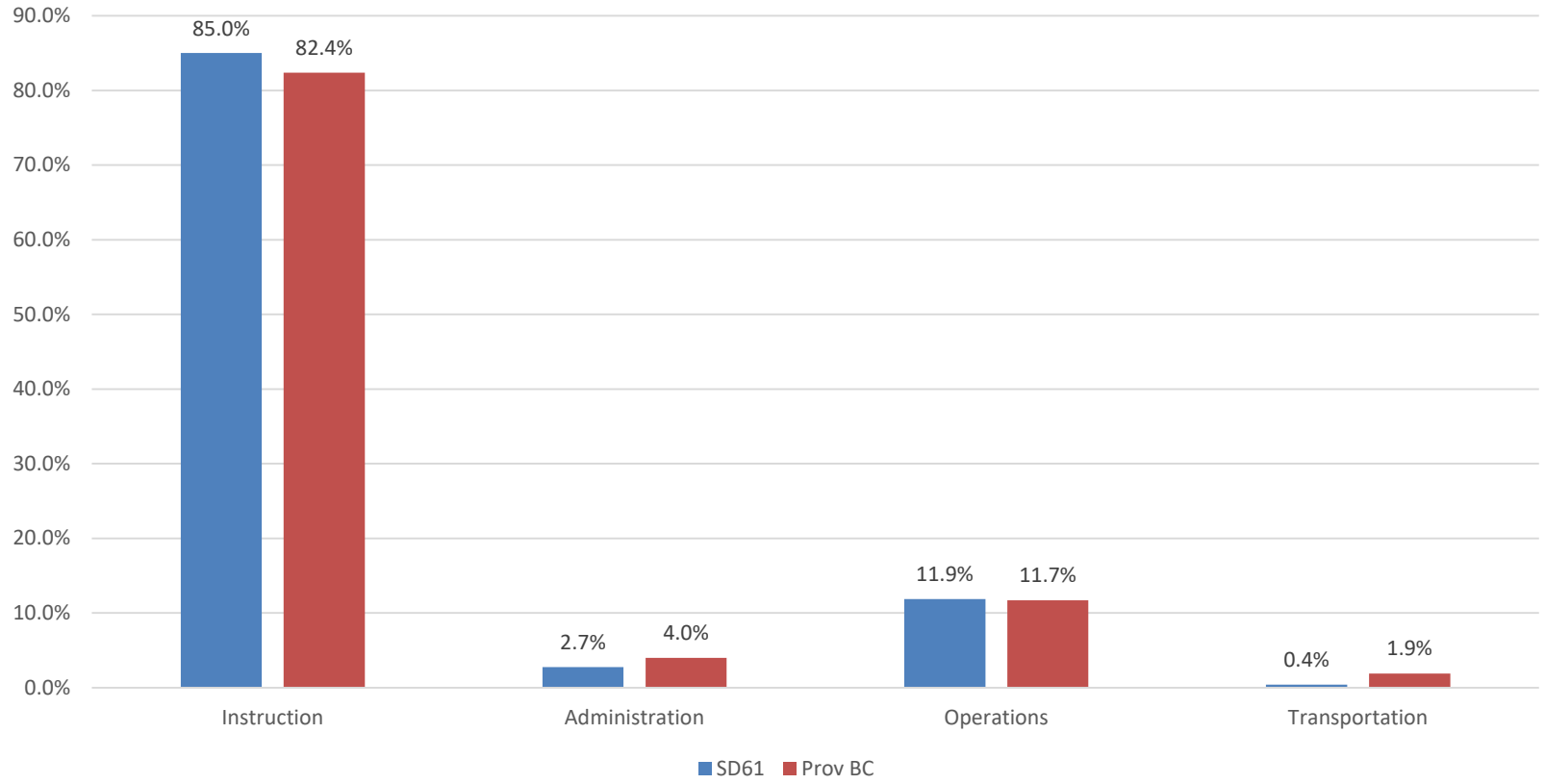
Paying for **everything else** (services and supplies) like technology, textbooks, fuel, travel, toilet paper, library books etc takes up the remaining **10%**

Operating Expenses



- Education is a human service, therefore most of the wages paid are to people directly servicing students in schools and classrooms day to day; teachers, counsellors, Principals and Vice-Principals, Education Assistants and Aboriginal Education Workers. These employees are paid 80% of total wages
- Supporting and foundational to classrooms are the secretaries, trades, custodians, computer technicians, superintendent, accounting staff etc.. These employees are paid 15% of total wages
- Finally, when a teacher gets sick or attends a district meeting or a custodian or secretary or education assistant takes vacation, a replacement or sub is required to do their work. TTOC's and CUPE Relief employees are paid 5% of total wages

How Do We Stack Up?



Special Purpose Funds - Ministry

- Ledger School
- Provincial Inclusion Outreach Program
- Mental Health & Well-Being Promotion
- Community LINK - Learning Involves Nutrition & Knowledge
- Federal French (OLEP)
- Ready Set Learn
- Strong Start
- SET BC / Special Education Technology
- Learning Improvement Fund
- Annual Facilities Grant
- Classroom Enhancement Fund

Special Purpose Funds - Other

- Estate
- School Generated Funds
- Scholarships

Capital

Local Capital

- $$ the Board votes to set aside for equipment/projects like technology device replacement, childcare capital reserve, learning studios
- Can be planned as a recurring expense each year, or ad hoc depending on surplus at year end and emerging needs

Ministry Restricted Capital

- Approved on a project by project case basis
- Projects are submitted each June on the District's Annual 5-Year Capital Plan
- Requires Ministry approval to spend
- Examples include: playground grants, school enhancement grants, seismic projects, school replacement projects, additional student capacity projects; new builds
- Expectation that Districts will contribute some reserves to approved capital projects

Capital Planning Principles

- Safety
- Enrolment & Capacity
- Existing Building Condition
- Climate
- Funding Categories Available

Capital - Projects

- AFG
  - Used to maintain assets that are not minor or major capital threshold
  - 41 projects
- Additions
  - Used to increase capacity
  - Sundance Elementary
- New Schools
  - Used to increase capacity
  - Downtown Victoria Elementary site acquisition & construction

Capital - Seismic 2022-2023

- Used to seismically upgrade existing school to mitigate seismic risk
  - 6 Projects
    - Sundance — Upgrade 3 blocks
    - James Bay — Upgrade 1 block
    - Reynolds — Upgrade 7 blocks
    - Northridge — Upgrade 4 blocks
    - McKenzie — Upgrade 3 blocks
    - Victoria West — Upgrade 3 blocks
    - NOTE: Awaiting response from Nations re: placement of Shoreline/Craigflower TBD

Capital - School Enhancement Program

- Used to renovate or upgrade buildings that are not big enough for major capital but bigger than AFG can manage
  - 6 Projects
    - South Park – Roofing - Replacement Phase 1
    - Strawberry Vale – Exterior Walls Systems - Siding replacement Phase 1
    - Victoria High – Exterior Wall Systems – Window Replacement Phase 2
    - Victoria High – HVAC – Mechanical Upgrade Phase 2
    - Mount Douglas – Exterior Wall Systems – Window Upgrade Phase 5
    - Esquimalt High – HVAC - Dust Collection System Woodshop

Capital - CNCP Intake

- Used to improve carbon neutrality
  - 5 Projects
    - Sundance - HVAC – replace unit ventilators
    - Spectrum – Energy - Upgrade DDC to Reliable Controls
    - Doncaster – HVAC – replace air handling units
    - Lambrick Park – HVAC - Boiler replacement
    - Lambrick Park – Energy - Upgrade DDC to Reliable Controls

Capital - Playgrounds

- Used to add or replace playground equipment that may have previously fallen to PACs to fundraise
  - 3 Projects (all universally accessible playgrounds)
    - Macaulay - replacement
    - Hillcrest - replacement
    - Sundance - new

Surplus

Operating surpluses can be restricted or unrestricted

International program is run like a business with students fluctuating and constant recruiting and enrolment balancing efforts. There is no government/ministry money supporting ISP

Inclusion Education –this program holds a contingency for students with unique needs that arrive in SD61 after the September 30 funding deadline and for students identified for supports between April (projected) and September (actual)

Facilities –SD61 is currently undergoing major capital upgrades and navigating increasing enrolment. Replacement schools do not have the same furniture & equipment budgets as new schools, shops need upgrading and technology infrastructure is requiring renewal

Surplus – Year End 2020-2021

- **Projected May Budget Process: $11.9m**
- **Actual June Year end: $13.2m**
- **Net increase: $1.3m**

  – $1.3 m represents 0.6% of operating expenses

Surplus: Change from May to Year End

- **Net surplus increase $1.3m resulted from:**
  - EA wages underspent (hiring lag) $780k
  - Holdback Grant increase $70k
  - TTOC's wages underspent $165k
  - Departments underspent $172k

Surplus

		2020-2021	2019-2020	Increase (Decreases)	Variance
Project Budgets	A	2,840,184	5,207,301	(2,367,117)	-45%
School Level Funds	A	1,972,690	2,574,311	(601,621)	-23%
Purchase Order Commitments	A	618,487	560,082	58,405	10%
Planned Surplus to Balance Budget (June 3)	**B**	**4,837,387**	7,046,806	**(2,209,419)**	**-31%**
Planned Reserve (June 3)	**C**	**821,019**	0	**821,019**	**100%**
Infrastructure Initiatives	D	956,350	0	956,350	100%
Additional Reserve From Year End	D	721,622		721,622	100%
International Program Reserve	D	425,000	0	425,000	100%
COVID Contingency		0	2,561,246	(2,561,246)	-100%
Total		13,192,739	17,949,746	(4,757,007)	-27%
Total Operating Expenses Incl. Capital Assets		210,504,376	205,032,764		
Surplus as % of Operating Expenses		6.27%	8.75%		
Reserve as a % of Operating Expenses		0.93%	0.00%		

$13.1 m Surplus

A - No discretion:

- $5.4m – contractual, externally targeted, school funds

B - No discretion:

- $4.8m – balanced the 21-22 budget (June 3)

C – No discretion:

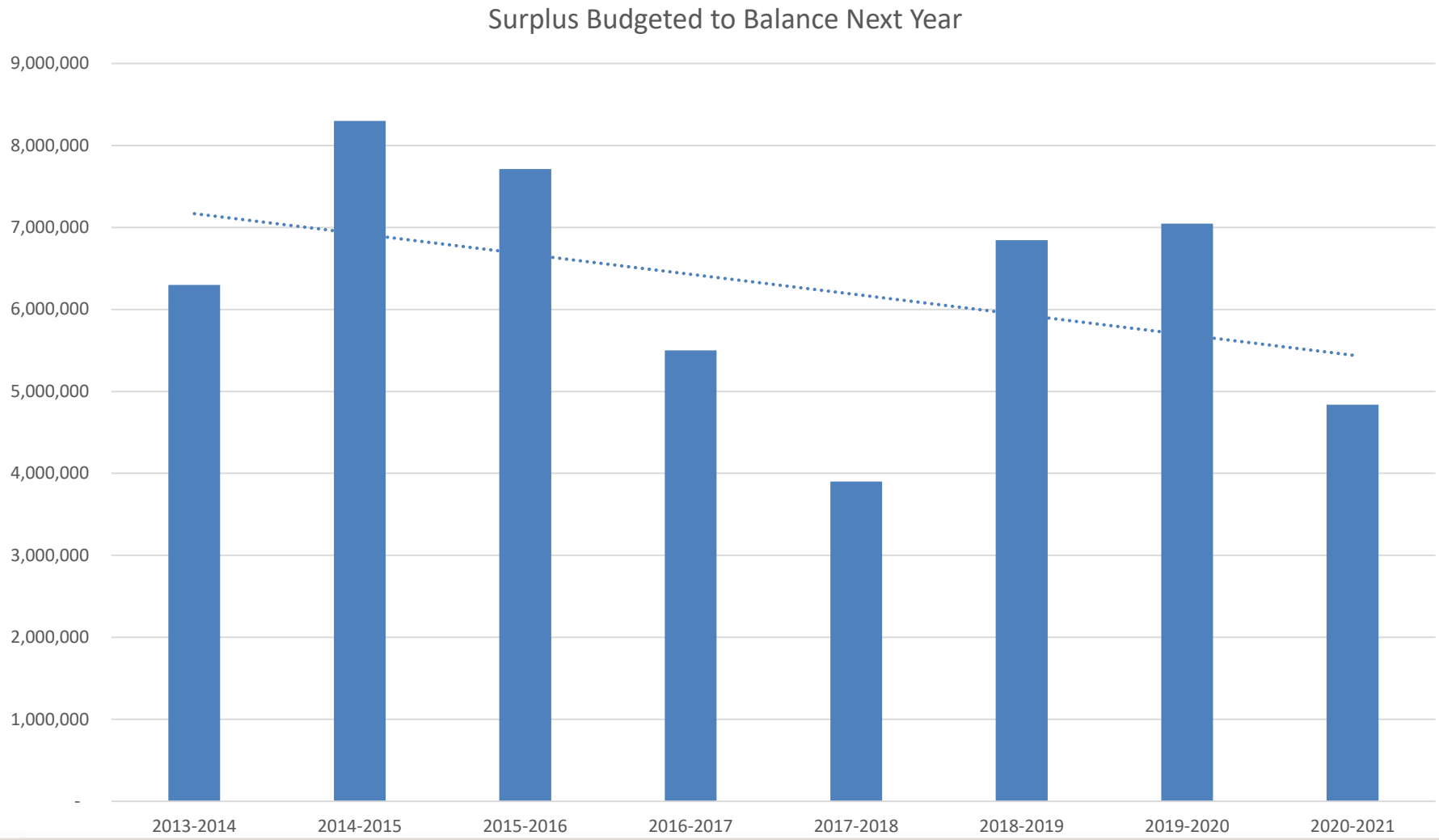
- $0.821m reserve (June 3)

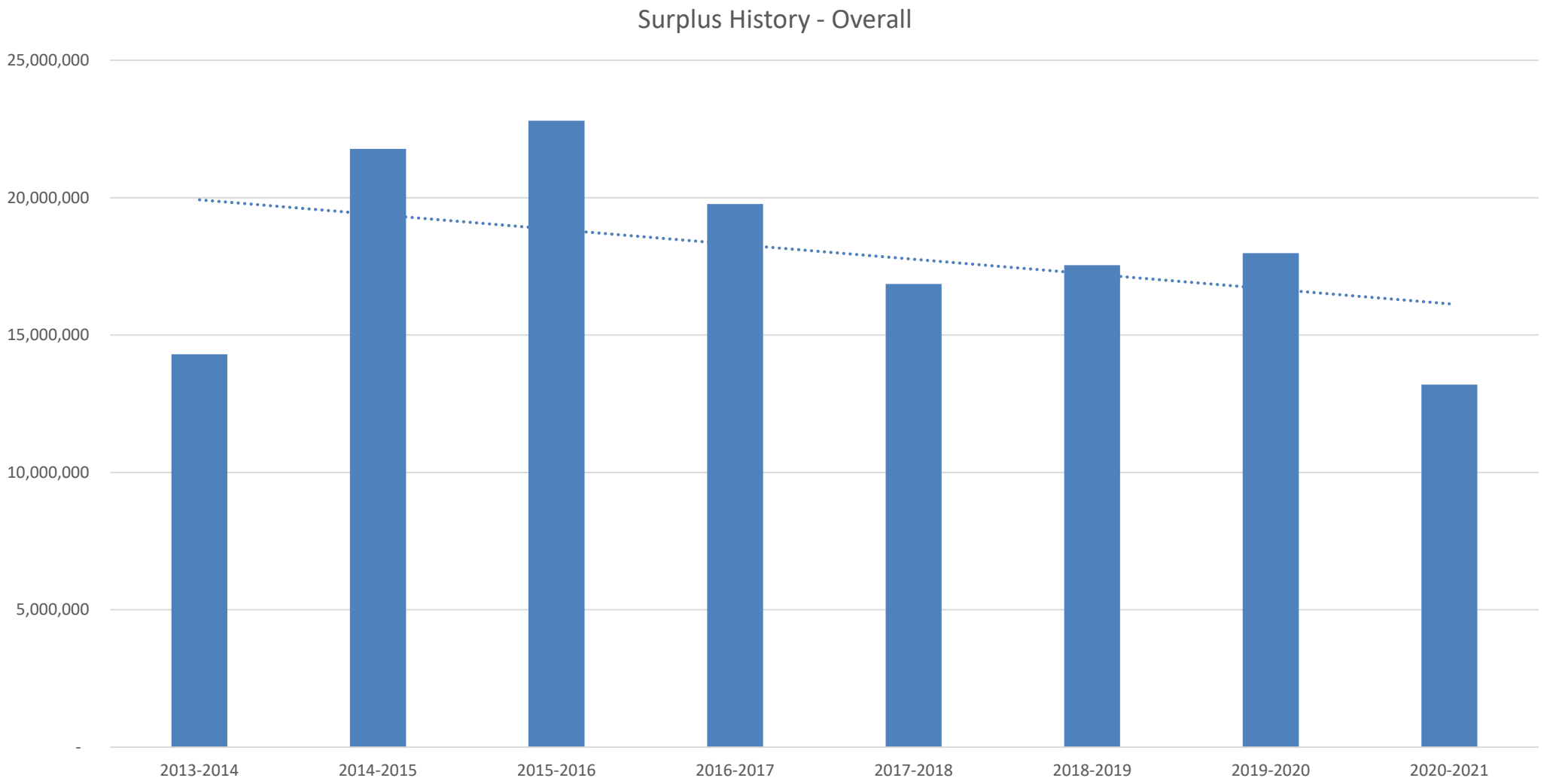
D – Discretion:

- $1.0 m – network upgrades, shops safety, enrolment growth modular
- $1.1 m – additional reserve to reduce 22-23 budget impacts

Surplus History

Surplus History (Financial Stmts)	Unspent Schools	Unspent District	Purchase Order Commitments	COVID Contingency	Budgeted in Future Years' Budget		Reserve	Infrastructure	Unrestricted Operating	Total
2013-2014	4,966,701	2,507,438	530,882		6,300,000		-		-	14,305,021
2014-2015	6,108,287	2,579,856	682,969		8,300,000		-		4,104,554	21,775,666
2015-2016	5,735,930	3,750,175	961,965		7,710,764		-		4,641,593	22,800,427
2016-2017	5,379,427	3,729,737	1,385,806		5,500,000		-		3,774,594	19,769,564
2017-2018	4,246,216	5,307,670	1,018,775		3,900,000		-		2,386,696	16,859,357
2018-2019	3,400,360	4,843,799	419,972		6,845,754	*	-		2,037,796	17,547,681
2019-2020	2,574,310	5,207,301	560,082	2,561,247	7,046,806		-		29,582	17,979,328
2020-2021	1,972,690	2,840,184	618,487		4,837,387	**	1,967,641	956,350	-	13,192,739


Surplus Budgeted to Balance Next Year
9,000,000
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
2013-2014
2014-2015
2015-2016
2016-2017
2017-2018
2018-2019
2019-2020
2020-2021


Surplus History - Overall
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
-
2013-2014
2014-2015
2015-2016
2016-2017
2017-2018
2018-2019
2019-2020
2020-2021

Surplus – October 2021

Reserves	
- Reserve - District (Board Approved June 2021)	821,019
- Reserve - District (Board Approved - September 2021)	921,622
- Reserve - International (Board Approved - September 2021)	425,000
Total Operating Reserves (0.98% of revenue)	2,167,641
- Local Capital Fund	320,646
- Ministry of Education Restricted	2,975,006
	3,295,652

Surplus – Ministry Policy

- Specific purpose
- Limited timeframe
- Alignment to Strategic Plan and Framework for Enhancing Student Learning
- Revised policy being drafted

Work Plan

- Topics
- Sequence
- Experts & resource people

Work Plan

- Take a few minutes to think about questions you have about the budget or areas where you lack understanding

- In the chat type:
  - Topics from the spring 2021 process do you want to explore or revisit
  - New topics or wonderings
  - Emerging opportunities and pressures you foresee
  - For each topic, indicate resource people or experts that you think should be invited to future meetings that can inform the committee on that topic

Take Away

- In the chat, enter
- Your biggest take away from today's meeting

AND

- What will you be sharing with your memberships between now and the next meeting?

Next Meeting

- December 7 5 pm
- Zoom or in person?