



NANAIMO LADYSMITH
PUBLIC SCHOOLS

Becoming Sustainable
2016-17 Budget
Budget Development Meeting 2
April 13, 2016

Learning Together

Becoming Sustainable

Agenda

- ▶ Overview of Becoming Sustainable
- ▶ Changes since last Budget (2015-16)
- ▶ Structural Deficit
- ▶ Staff intentions
- ▶ Financial Health
- ▶ Trustee Direction

Next Steps



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Becoming Sustainable

Background

Last year, when the budget was developed **Becoming Sustainable** was identified as the theme to align the Budget and Facilities Planning over a multi-year period.

This allows the district to proceed strategically aligning district efficiencies and savings within the facilities plan. The goal being to have a financially sustainable operating budget for September 2016.



Becoming Sustainable

From 2015-16 Budget Process

Board supports a **two year budget process** for 2015-16 and 2016-17 which may include school consultations (close up to 4 schools) in year two to achieve a sustainable budget.

Consult with Skills for Life parents to move to Central Nanaimo.

Consult on moving K-7 Learn @ Home.
Consult on moving 8-12 Learn @ Home.

Prepare for a Ministry presentation for requests of renovations, annexes, additions and or rebuilds resulting from school consolidations.



Program and Technical Review of International Education.

Becoming Sustainable

What has Changed Since 2015-16 Budget

- ▶ Becoming Sustainable - Facilities Plan Update has two school closures (Woodlands and Woodbank) for the 2016-17 school year.
- ▶ Potential third school closure (Rutherford) in a future year. Defers Becoming Sustainable until 2017-18.



Becoming Sustainable

Structural Deficit for 2016-17

Shortfall on 2015-16 Expenditures rollover	\$ 3,400,000
- 8 FTE custodial (2015-16 funded from surplus)	(500,000)
- 4.2 FTE EA support (2015-16 funded from surplus)	<u>(200,000)</u>
Deficit Forecast for 2016-17	\$ 2,700,000
Reductions to become Sustainable	
Proposed 2016-17 Reductions	
Woodlands	\$ 750,000
NCI or Woodbank	330,000
Additional Grounds and Maintenance - 4 FTE	308,000
Additional Custodial - 2 FTE	120,000
Other Operational Savings (Note 1)	<u>700,000</u>
	\$ 2,208,000
Proposed 2017-18 Reduction	
Rutherford	\$ 350,000
Additional Custodial - 1.0 FTE	60,000
Other Operational Savings (Note 1)	<u>82,000</u>
	\$ 492,000
Total Reductions	\$ 2,700,000
Remaining Structural Deficit	\$ -
Note 1 - Other Operational Savings may consist of:	
Administration savings (Review underway)	
Transportation service delivery (Board motion)	
International Student Education Program (Review underway)	



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What is the same as 2015-16 Budget

- ▶ Budget resource allocations need to align with Board goals
- ▶ Still have a structural deficit
- ▶ The District continues to have one of highest class sizes in the Province
- ▶ Need to examine what are core services, to identify areas to consider reductions to create a balanced budget and address class size



Becoming Sustainable

Structural deficit for 2016-17 of \$850,000

Includes adjustments for:

- ▶ Savings on school consolidations
- ▶ Additional Health and Wellness savings on sick leave costs
- ▶ Teacher Pension plan savings of over \$1M
- ▶ Increased International Student Enrolment
- ▶ Increased Community Use revenue by 15%
- ▶ Increased interest revenue
- ▶ Additional MOE revenue to fund labour settlement costs

Board approved Additions to 2015-16

- ▶ \$500K additional support for custodians (8 FTE)
- ▶ \$200K additional EA support (4.2 FTE)



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Staffs plan for 2016-17

Educational Enhancements

- ▶ Generate additional savings beyond the “rollover” deficit to fund reductions to secondary class sizes

Unfinished Facilities Plan

- ▶ Use accumulated surplus to not make cuts on the savings imbedded on the Rutherford closure



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Staffs plan for 2016-17

Savings to Fund Educational Enhancements

- ▶ Transportation reductions to reduce service for courtesy riders
- ▶ Maintain custodial team cleaning model with minimal staff reductions
- ▶ Reductions to Maintenance and Grounds



Becoming Sustainable

Current Financial Health

Anticipated Accumulative Surplus (Operating Fund) at June 30, 2016 to be between \$3,500,000 to \$4,000,000.

Restricted Reserves for 2016-17

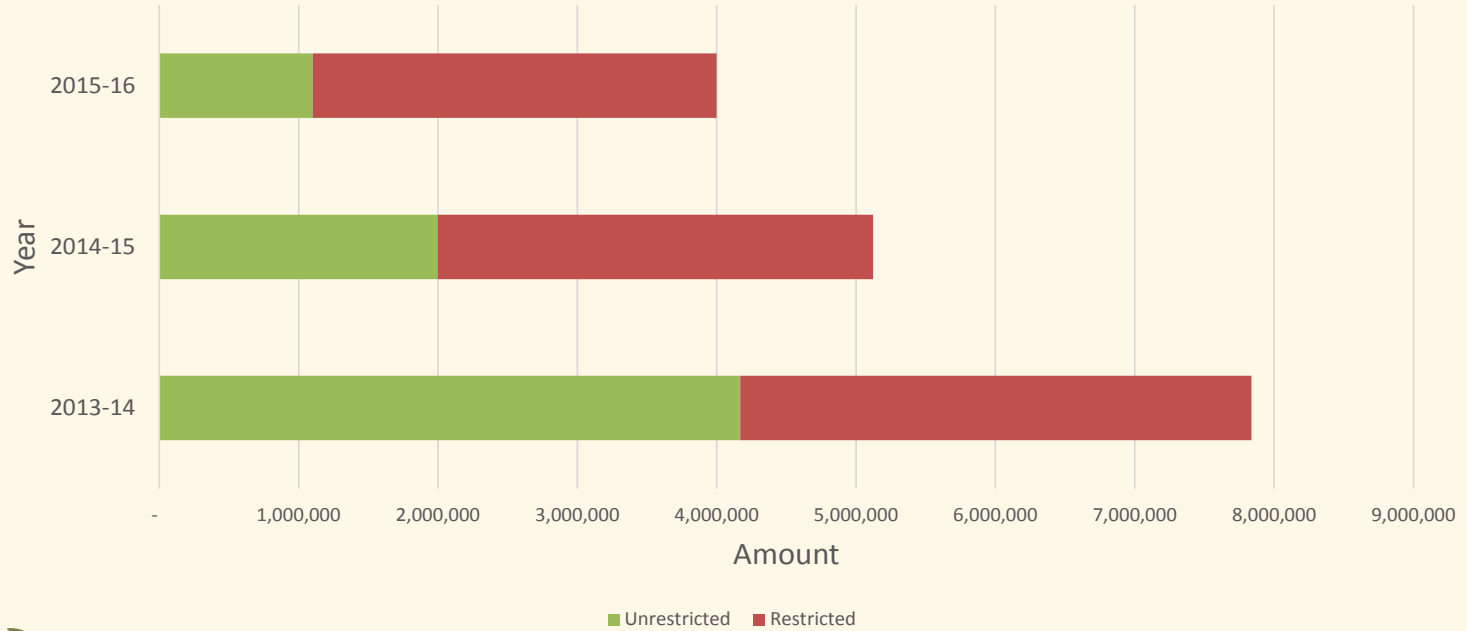
- ▶ Contingent Reserve of 2%: \$2,400,000
- ▶ Non structural reductions \$500,000

Remaining funds are available to support other one time initiatives.



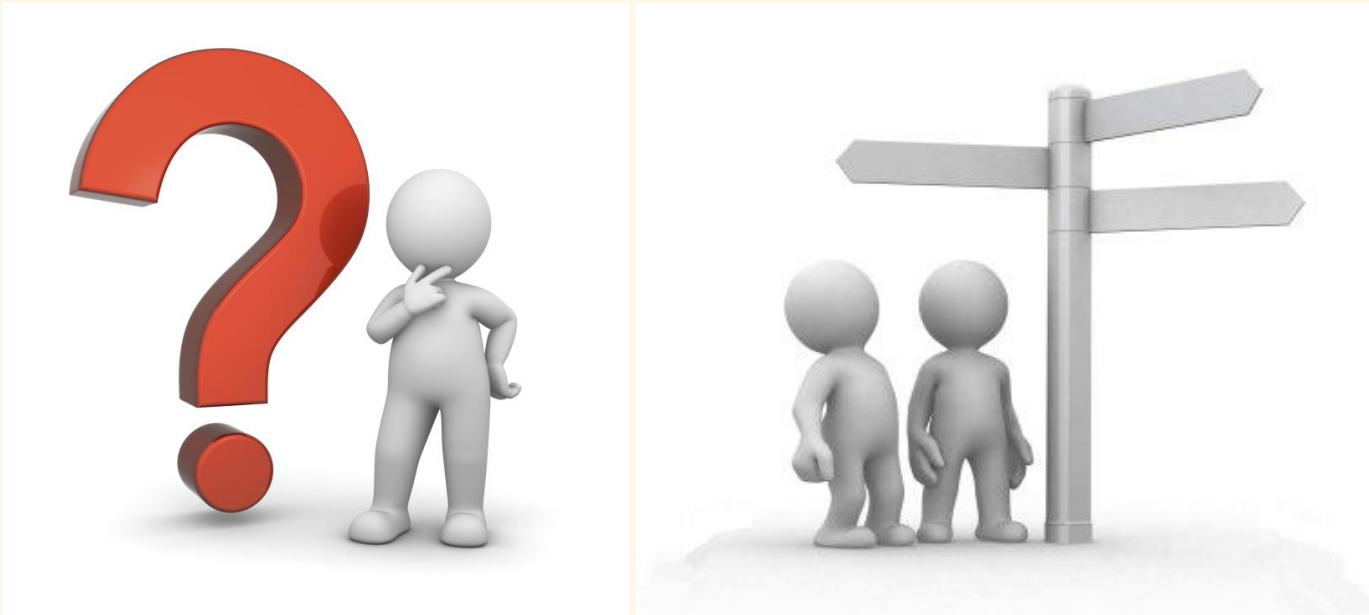
Becoming Sustainable Financial Health

Accumulated Operating Surplus



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Trustees Direction to Staff



Becoming Sustainable

Next Steps

April 20 - Budget Draft 1 Meeting

Superintendent to present the 2016-17 Budget

- ▶ High-level descriptions by department of how the proposed budget aligns with Board goals.
- ▶ Information will be structured to develop a high level understanding of the proposed budget.

April 25 – Budget Draft 2 Meeting

- ▶ Business Committee to debate and ask questions on the Budget. Budget may be modified per Board direction.

