

# Sustaining Momentum 2023-24 Preliminary Annual Budget

*May 2023*

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**NANAIMO LADYSMITH**  
PUBLIC SCHOOLS



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## District Overview



Nanaimo Ladysmith Public Schools (NLPS) is the second largest school district on Vancouver Island and resides within the traditional territories of the Snuneymuxw, Snaw-Naw-As and Stz'uminus First Nations. In addition, NLPS is a proud community partner with Tillicum Lelum Aboriginal Friendship Centre and Mid Island Métis Nation. The district claims approximately 15,350 students, with approximately 2700 students identifying as Indigenous and 1300 students with special needs. The district offers a full range of programs from kindergarten to grade 12 with additional programs for pre-school and adult learners.

There are: twenty-eight elementary schools; eight secondary schools (including Learning Alternatives and Career Technical Centre); one distributed learning school – Island ConnectEd (K12); and approximately 2,200 employees. The district encompasses the City of Nanaimo, the towns of Ladysmith and Lantzville, Gabriola Island, North Oyster, Cedar and many other communities which represent a population of 132,623 (2021 Census), and we are one of the fastest growing communities in Canada. The district's consolidated Operating and Special Purpose Fund annual budgeted expense is \$190 million.

## Board of Education



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Superintendent/CEO



**MARK WALSH**  
Secretary-Treasurer



## Message from the Superintendent

It is with pride that we present the Board with the 2023-24 preliminary budget. We are calling it the “Sustaining Momentum” budget. The budget is focused on continuing support for the implementation of the strategic plan in all 4 of our goal areas and ultimately supporting student success.

In the area of *continuous improvement of instruction and assessment*, this budget continues the Board’s enhanced investments from the 2022-23 budget in support for students with complex, diverse and unique learning needs through the Tier 3 Program. It also maintains elevated hours for CYFSWs, robust professional development opportunities and enhances Education Assistant hours in one of the largest increases in years.

In the area of *safe, caring and healthy learning and working environment that is inclusive of the diversity of our entire learning community*, the budget continues to invest in the district’s elevated ratio of counsellors to students, it supports an additional recruitment position to ensure we fill our vacancies and absences to ensure service to students. It also supports the single largest pay increase in the recent memory of the sector to support employees and keep them engaged.

In the area of *to be a leader in environmental stewardship and sustainability*, reallocations of time in our District Learning Services department rather than additional resources will continue to support outdoor education, connections to the land, work on active transportation and other environmental initiatives in alignment with our Environmental Sustainability Action Plan.

In the area of *truth and reconciliation*, we are making significant internal reallocations in our indigenous Education department in consultation with our Leaders for Learning table that sees us reallocate previously unfilled positions to provide more supports for our indigenous students in secondary schools as well as additional permanent Hul’q’umi’num teaching time.

We are also extremely pleased that the Ministry of Education and Child Care has provided additional resources to support food security for our students in an ongoing capacity. We are in the beginning stages of planning for the expenditure of the new Feeding Futures Fund and are excited for this major investment in ensuring all of our students have access to healthy food to support their learning.

Overall, this budget will serve students and allow us to sustain the momentum of our strategic plan that we have seen over the last few years.

Sincerely,

Scott Saywell



## Executive Summary

Over the last few months, staff have presented the Board with the varying assumptions that have ultimately led to the draft preliminary annual budget. These assumptions have included enrolment projections including “Bricks and Mortar” schools, distance education and International Education along with specially funded categories such as special needs and indigenous supports. The assumptions see the district growing in our “Bricks and Mortar” schools and the international program with the increase being partially offset by a continuing decline in our distance education offering. With these assumptions made, the budget as presented is able to support previous investments by the Board in priority areas, as well as support increased Education Assistant hours, significant wage increases to our employees, and is focused on sustaining the district’s momentum in achieving its goals.

As noted, the district’s enrolment continues to increase, although our overall FTE increase is offset in part by a decline in enrolment at Island Connect Education. Any changes to staffing in schools are a direct result in fluctuating enrolment. This increase in FTE provides some additional revenue but overall inflationary increases to costs and continued elevated TTOC and support staff replacement costs associated with legislative change and an overall increase in absenteeism limits the availability of additional revenue.

With respect to EA hours as a result of an agreement with our CUPE partners as well as a boost to the Learning Improvement Fund, there is a significant number of additional hours available. The funding level for Educational Assistants will be at an all time high. This investment is in addition to the Board’s continuing investment in Tier 3 programming made in the 2022-23 schools year and previous investments in CYFSW hours.

Currently, both our teachers and CUPE staff will be receiving a 6.75% increase in wages. This is the largest single increase in the recent memory of the district. Moreover, when compounded with last year’s increase the total is over 10% over two years. At this time, the district has budgeted funds to support an exempt and Principal and Vice-Principal increase but are awaiting instructions on both the percentage increase as well as the funding that would be provided to support the increase.

It is also notable that the district has not budgeted a Local Capital transfer for the purposes of purchasing technology, supporting the district Wi-Fi initiative, or other capital related initiatives of the Board. Staff anticipate an end of year surplus that in September would support such a transfer. If the local capital transfer was in the preliminary budget the Board would be faced with making service reductions. Similar to 2022-23 it was felt that given the likelihood of a surplus, that cutting resources was not sufficiently student focused.

The district has also reallocated a Facilities Planning position from our Classroom Enhancement Fund to our Annual Facilities Grant so that Human Resources can hire an additional recruiter to enhance the district’s ability to hire hard to fill positions.

Finally, the budget has rationalized the Indigenous Education budget in an attempt to limit future surpluses and support more teaching and language time on an ongoing basis through reallocations within the existing budget envelope.





## Strategic Plan

Our strategic plan defines the key areas of focus as we work together to support student learning in order to achieve our vision of Success for All.

The district's goals and objectives are guided by the four goals of the Board's Strategic Plan:

- ▶ Continuous improvement of instruction and assessment
- ▶ Safe, caring and healthy learning and working environment that is inclusive of the diversity of our entire learning community
- ▶ To be a leader in environment stewardship and sustainability
- ▶ Truth and reconciliation

### Vision

Courageous, innovative, inclusive and personalized learning community that inspires success for all.

### Mission

To educate all students to become confident, curious and caring citizens by creating an inspiring, inclusive and healthy environment to work, learn and play.

### Values

Student Centered Accountability, Collaboration, Diversity, Equity, Honesty, Inclusion, Integrity, Mutual Respect, Sustainable, and Transparency.

## Syeyutsus Framework

Truth and Reconciliation is a significant goal of Nanaimo Ladysmith Public Schools (NLPS). The goal of reconciliation was established by the Board of Education in response to Canada's Truth & Reconciliation Calls to Action and is underpinned by the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). In partnership, NLPS and Indigenous Knowledge Keepers are committed to continue working together on the journey of reconciliation.

Nanaimo Ladysmith Public Schools commits to honoring the land and using this Framework to guide and inform by:

- ▶ Working with our students, staff, Indigenous Knowledge Keepers, and community partner groups in a spirit of respect, courage and vulnerability to bridge together different views and beliefs, in a restorative caring way.
- ▶ Providing ongoing and meaningful learning opportunities for all students, staff, and community partner groups.

## Community Engagement

Nanaimo Ladysmith Public Schools recognizes the value of public participation, values the wisdom of our community and is committed to creating appropriate opportunities for students, staff, the local community, education partners, our local First Nations and Mid Island Métis Nation through a meaningful engagement process. The district also recognizes that public participation is an important step in the decision-making process that provides the Board an opportunity to make well-informed, data-driven and community inspired decisions.

The district will approach every public participation process with a goal to be student-centred while taking direction from the [Syeyutsus Learning Framework](#). The district commits to honouring the land and using the Framework to guide and inform by:

1. Working with our students, staff, Indigenous Knowledge Keepers, and community partner groups in a spirit of respect, courage and vulnerability to bridge together different views and beliefs, in a restorative caring way.
2. Providing ongoing and meaningful learning opportunities for all students, staff and community partner groups.

With every public participation opportunity, the district will value:

- Transparency and Accountability - It will clearly communicate public participation opportunities, the process it intends to follow and will share the results and outcome of its decision-making process.
- Inclusivity - With direction from the Inclusion Policy, it will provide public participation opportunities based on the principles of respect, acceptance, safety and equity.
- Authenticity - The community will be given the opportunity to participate in a variety of avenues. The district will discern all respectful and authentic feedback during the decision-making process.
- Relevance - All public participation, no matter in-person or electronic, will be received and considered provided it is relevant to the respective engagement process.

Engagement opportunities during the Budget and Financial Planning cycle include but are not limited to the following:

- ThoughtExchange Surveys/Questions
- Student Voice Sessions
- Sessions with our Leaders for Learning Group (Indigenous Partners Group)
- Teams or “Town Hall” Virtual Sessions
- Budget and Financial Literacy Sessions
- Individual Stakeholder Meetings
- Social Media Engagements
- Email Feedback

Information, ideas, recommendations, and wisdom gathered throughout the engagement sessions will be incorporated into the districts multi-year financial plan where it aligns with our Strategic or Operational Plans, or in support of enhanced student outcomes as much as available resources and educational planning and delivery parameters permit.



## Annual Budget Overview

Boards of Education are required to prepare and submit to the Ministry of Education and Child Care, two budgets per fiscal year, the Annual Budget based on estimated student enrolment, revenues, and expenses, and an Amended Annual Budget based on confirmed student enrolment and updated revenues and expenses.

The majority of a School District's funding comes from the Ministry of Education and Child Care through the Operating Grant, Special Purpose Funds, and Capital Funding. Further, the Ministry requires all Schools Districts to submit their budgets in the same format where revenues and expenses are to be accounted for and presented in these three distinct funding categories.

In addition to Ministry of Education and Child Care funding the district receives revenues from a variety of sources that are recorded in either the Operating Fund, or a Special Purpose Fund. Some examples include revenues from our International Student Education program, Federal French Funding, community rentals and leases, and other miscellaneous grants and donations.

The Preliminary Annual Budget document begins with overarching guiding principals and budget criteria then provides budget preparation and development information, a budget timeline, and student enrolment information. Following that, the document presents budget information in the three distinct funding categories: the Operating Fund, Special Purpose Funds, and Capital Funds.

Following the budget information, areas of identified risk are noted, and the districts accumulated operating surplus position is provided along with supportive information.

## Guiding Principles

Guiding principles provide the framework and parameters for which the districts budget is created.

- ▶ The annual budget complies with the School Act, district policy and other legislative requirements. The Board must submit a balanced budget
- ▶ The budget process be aligned with and support the Board's strategic direction and goals
- ▶ Positive student experience and outcomes are priority
- ▶ Feedback from community and stakeholder engagement process will be incorporated where resources allow and in alignment with board and operational goals
- ▶ Ongoing costs should not be greater than ongoing revenues
- ▶ District accumulated surplus is established and maintained in accordance with Board Policy
- ▶ Sustainable, inclusive, equitable and financially prudent resource allocations, along with risk mitigation strategies are key drivers in budget decisions and creation





## Budget Criteria

Setting decision criteria is best practice when making organizational decisions. Decision criteria are those variables or characteristics that are important to the district when making decisions and should provide direction when evaluating alternatives. When faced with a budget decision, the criteria should be considered in respect of where resources should be directed in priority order.

- ▶ Maximize success/completion rates for all students
- ▶ Optimize our schools and facilities as safe, healthy, and inclusive learning and workspaces
- ▶ Provide all students with safe, equitable and inclusive access to schools and programs
- ▶ Provide greater supports and opportunities to embed Indigenous culture, teachings, and curriculum for all students
- ▶ Provide a variety of pathways for every student to meet his/her desired learning outcomes
- ▶ Maximize support for student learning in literacy and numeracy
- ▶ Provide adequate and sustainable budgets for facilities and technology to sustain necessary infrastructure and space needs
- ▶ Optimize the use of technology as a tool to support student learning and organizational efficiencies
- ▶ Support student and employee wellness throughout the district
- ▶ Optimize our organizational capacity through ongoing leadership enhancement opportunity and succession planning
- ▶ Reduce the impact of our operations on the environment through continuously improved sustainability practices

## Budget Preparation and Development

Preparation for the annual budget begins by utilizing the prior year's amended budget as the initial starting point. It is not rebuilt from a zero base each year as educational programs are ongoing, and many operational costs are fixed.

One time revenue and expenditures, along with any appropriated surplus's are removed, then adjustments are made to account for student enrolment estimates, current year funding levels as approved by the Ministry, and other revenue and expenditures changes deemed necessary per review of all budget categories. This ensures the district has accounted for all known variables, inflation, areas of risk, current year initiatives in support of student education, and any required adjustments to respond to the emergent or strategic needs of the district. Included in the creation of the new year's budget are updated estimates, assumptions and adjustments pertaining to the following revenue and expense categories:



**Revenues:**

- ▶ Student enrolment
- ▶ Operating Grant
- ▶ International students' enrolment and tuition
- ▶ Investment/Interest income
- ▶ Rentals and Leases
- ▶ Other Provincial revenues/Grants
- ▶ Miscellaneous Grants (one-time funding)
- ▶ Special Purpose Funds
- ▶ Annual Facilities Grant current year funding/priorities
- ▶ Capital Funding Agreement confirmation
- ▶ Removal of prior year's restricted surplus and deferred revenue

**Expenses:**

- ▶ Adjustments for salary increases per Collective Agreements, employment contracts or Ministry direction
- ▶ Replacement and Benefits costs
- ▶ Technology (IT) plan, including all district annual software license fees
- ▶ Contractual obligations such as professional development, release time, etc.
- ▶ Inflationary adjustments (+/-) for utilities, supplies, equipment, software, insurance, legal fees, professional development, etc.
- ▶ Cost adjustments for items such as Maternity/ Paternity pay, premiums and allowances
- ▶ Actuarial expense costs
- ▶ Adjustments for the NGN contribution, EFB liability, job evaluations and potential grievance/arbitration settlements, etc.

**Reallocations:**

- ▶ Special Purpose Fund reorganizations to align with annual educational programming plans
- ▶ Departmental expenditure reorganization per determined needs
- ▶ Realignment of ongoing resource to support coming year initiatives and/or educational strategies in alignment with the strategic or operational plans

Following the adjustments required to account for all known cost pressures, changes in revenue and potential shifts in educational delivery models pursuant to student outcomes, the budget may be subject to further changes to support additional educational programming to enhance student outcomes. These may arise per request through the community engagement process by partner groups, the community, stakeholders, or by direction of the board.



## Budget Timeline

In accordance with the School Act, school districts must approve a balanced budget and submit it to the Ministry of Education and Child Care by the end of June each year, and an Amended Annual Budget by the end of February each year. Below is an example of a Budget Timeline for a fiscal year.

<b>September</b>	Financial Statements presented to and approved by the Board (Q4 Financial Report) Multi Year Financial Plan presented and approved by the Board (NEW) 1701 Student Data Collection
<b>October</b>	Preliminary Departmental discussions on coming year's budget Quarterly Report (Q1) presented to the Board.
<b>December</b>	Ministry of Education provides confirmed Operating Grants based on 1701 Student Data
<b>January</b>	Operating Grant update provided to the Board per December MOE confirmation Amended Annual Budget finalized per MOE funding confirmation Enrolment Estimate process for next year begins Departmental discussions on coming year's budget continue Stakeholder discussions on coming year's budget begin
<b>February</b>	Amended Annual Budget presented to and approved by the Board (Q2 report included) Enrolment estimates finalized for Ministry submission Enrolment update provided to the Board Community/stakeholder engagement process for upcoming budget determined and started Thought Exchange goes out to public
<b>March</b>	Ministry announces Preliminary Operating Grants for coming year based on projected Student enrolment – Board receives update Budget creation begins Community engagement continues - includes Stakeholders, Students, First Nations, and Partner groups Departmental budgets finalized per confirmed funding levels
<b>April</b>	Community engagement process concludes Proposed Preliminary Annual Budget is completed, and a high-level summary is provided to Board/Public
<b>May</b>	Proposed Preliminary Annual Budget is presented to the Board Stakeholder presentations take place Quarterly Financial Report presented to the Board (Q3) Final Budget discussions take place Preliminary Annual Budget is finalized, presented to, and approved by the Board
<b>June</b>	Multi-Year Financial Plan is created (NEW)



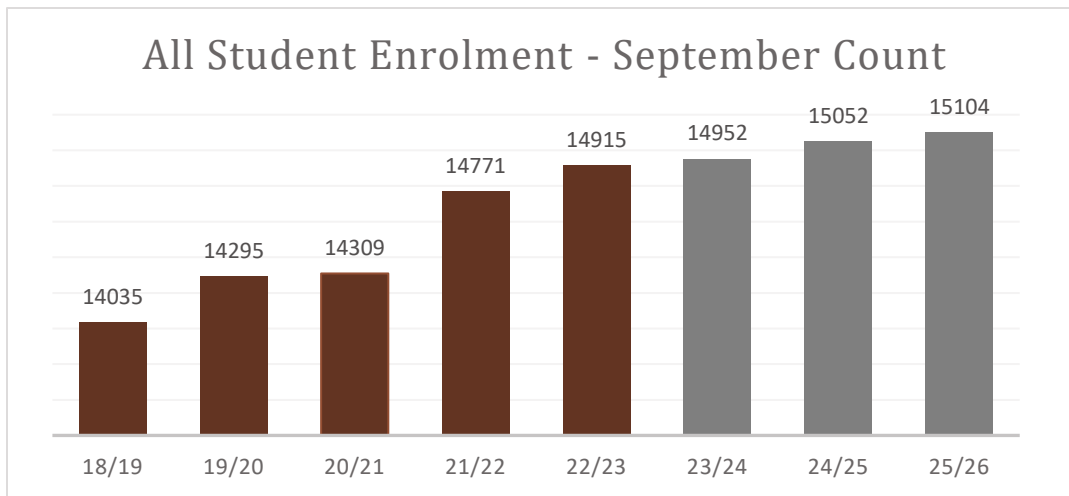
## Student Enrolment

School district funding, specifically the Operating Grant, is generated by our student population, per student course load at Secondary and Distributed Learning, student demographics, along with additional factors based on enrolment. Student numbers presented in the graph below are not student headcount, but student full time equivalent (FTE). For funding purposes Kindergarten to grade 9 students counts as 1.0 FTE each but at secondary and distributed learning the FTE is based on the number of courses each student takes, where each course is .125 FTE, and may be greater or less than 1.0 FTE per student.

The Ministry of Education and Child Care collects student enrolment data three times per school year (September, February, and May) where September accounts for the majority of the Operating Fund, the February and May counts capture additional Distributed Learning courses started after September and identify and provide funding for new special needs students and refugees who enrol after September 30<sup>th</sup>.

The enrolment information presented below is based strictly on September FTE actuals (regular, distributed learning, continuing education, and adult learners) for 2018/19 to 2022/23, preliminary estimates for 2023/24 and forecasts for 2024/25 and 2025/26.

The three-year forecast was prepared using enrolment projections generated by Baragar Systems (enrolment projections software), historical enrolment trend analysis, and local knowledge. The district generally takes a conservative approach to preliminary enrolment estimates to avoid being over funded. For 2022/23 we were less conservative as we saw students re-engage after pandemic restrictions eased. Our preliminary estimated September enrolment for 2022/23 was 15,046FTE, however, the confirmed enrolment was 14,915 for a difference of (131) FTE which resulted in a loss of funding. This decrease was not expected by either of our external enrolment consultants or district staff, we anticipated continued growth. We are therefore taking a status-quo approach in 2023/24 to avoid being overfunded again, as well as to determine if this was a post-covid anomaly or if Nanaimo's demographic is changing per current costs of living and therefore growth is softening.



## Enrolment Projection

For additional reference, provided below is a summary of the districts budgeted enrolment for 2022/23 along with actuals, as well as our three-year enrolment projections as required by the Ministry of Education and Child Care for funding and financial planning purposes which was submitted to the Ministry in February 2023.

As noted on the previous page, our enrolment in 2022/23 did not decrease, rather it came in less than originally projected. Presented below are our reasonably conservative estimates, which is what our preliminary Operating Grant is calculated on.

February 2023 - Three Year Student Enrolment Projection with 2022/23 Budget and Actuals	Budget 2022/23	Actual Oct 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>September Student FTE Enrolment</b>					
Elementary Schools FTE Enrolment (K-7)	8939.000	8875.000	8860.000	8838.000	8838.000
Secondary Schools FTE Enrolment (8-12)	5373.390	5389.126	5470.226	5592.070	5643.720
Career Tech FTE Enrolment (CTC)	81.225	78.811	75.000	75.000	75.000
Alternate Schools FTE	295.000	285.000	285.000	285.000	285.000
Distributed Learning (K-9) FTE	300.000	219.000	195.000	195.000	195.000
Distributed Learning (10-12) FTE	55.225	63.563	63.168	63.168	63.168
Adult Education FTE (Non-Graduates only)	2.500	4.875	4.000	4.000	4.000
<b>Total September Student Funded FTE</b>	<b>15046.340</b>	<b>14915.375</b>	<b>14952.394</b>	<b>15052.238</b>	<b>15103.888</b>
<b>Change in Basic Funded Student Enrolment - SEPTEMBER</b>		<b>-130.965</b>	<b>37.019</b>	<b>99.844</b>	<b>51.650</b>
<b>Supplemental Funding Categories</b>					
Level 1 Special Needs	16	20	18	17	16
Level 2 Special Needs	510	585	567	555	513
Level 3 Special Needs	225	188	172	161	154
English Language Learning	885	927	925	900	900
Indigenous Education	2400	2511	2450	2450	2450
<b>FEBRUARY ENROLMENT - Continuing Education, Distributed Learning, Special Needs Growth and Newcomer Refugees</b>					
Continuing Education FTE - Non-Graduate Adults	4.000	4.000	0.000	0.000	0.000
Distributed Learning FTE K-Grade 9 (School-Age)	30.000	5.000	5.000	5.000	5.000
Distributed Learning FTE Grades 10-12 (School-Age)	116.000	106.000	92.911	92.911	92.911
Distributed Learning FTE - Non-Graduate Adults	4.000	4.000	0.000	0.000	0.000
Level 1 Special Needs Growth (All Schools)	0.000	0.000	0.000	0.000	0.000
Level 2 Special Needs Growth (All Schools)	10.000	10.000	10.000	10.000	10.000
Level 3 Special Needs Growth (All Schools)	5.000	5.000	2.000	2.000	2.000
Newcomer Refugees FTE (Standard & Alternate only)	0.000	0.000	0.000	0.000	0.000
ELL FTE (applies to Newcomer Refugees only)	0.000	0.000	0.000	0.000	0.000
<b>February Sub Total</b>	<b>154.000</b>	<b>119.000</b>	<b>97.911</b>	<b>97.911</b>	<b>97.911</b>
<i>February Enrolment Changes</i>		<i>-35.000</i>	<i>-21.089</i>	<i>0.000</i>	<i>0.000</i>
<b>MAY ENROLMENT - Continuing Education and Distributed Learning</b>					
Continuing Education FTE - Non-Graduate Adults	2.000	0.000	0.000	0.000	0.000
Distributed Learning FTE K-Grade 9 (School-Age)	15.000	0.000	0.000	0.000	0.000
Distributed Learning FTE Grades 10-12 (School-Age)	74.000	59.000	58.110	58.110	58.110
Distributed Learning FTE - Non-Graduate Adults	2.000	0.000	0.000	0.000	0.000
<b>May Sub Total</b>	<b>93.000</b>	<b>59.000</b>	<b>58.110</b>	<b>58.110</b>	<b>58.110</b>
<i>May Enrolment Changes</i>		<i>-34.000</i>	<i>-0.890</i>	<i>0.000</i>	<i>0.000</i>
<b>Total District Funded FTE for the year</b>	<b>15293.340</b>	<b>15093.375</b>	<b>15108.414</b>	<b>15208.259</b>	<b>15259.909</b>
<b>Total Operating Grant change in FTE</b>		<b>-199.965</b>	<b>15.039</b>	<b>99.845</b>	<b>51.650</b>

## Annual Budget Overview

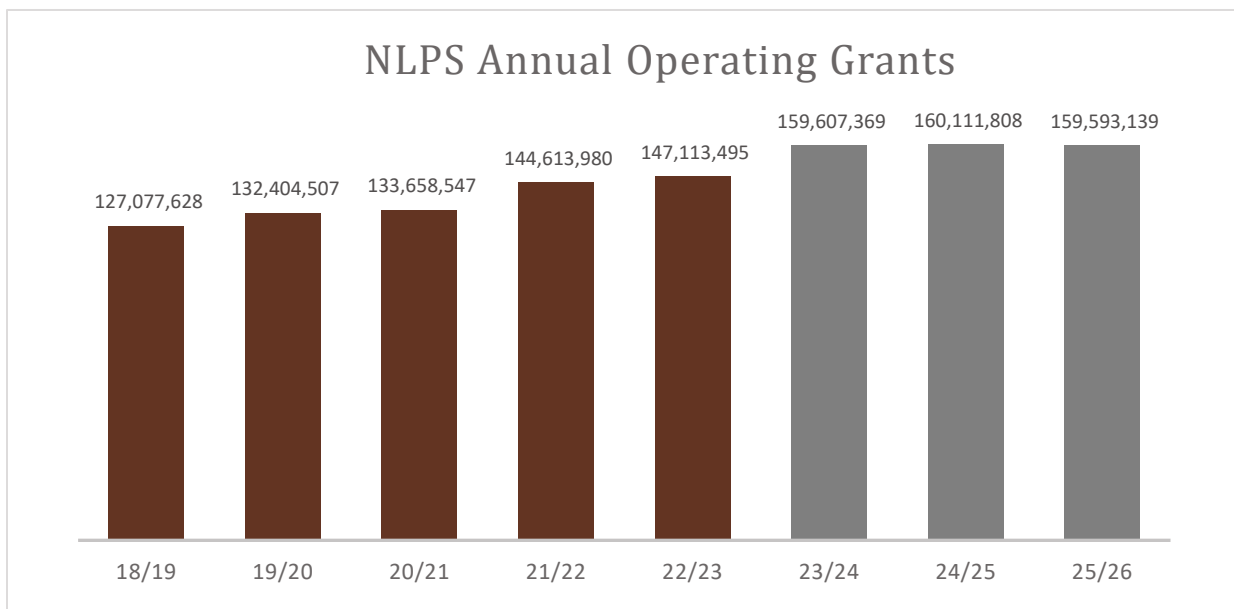
### Operating Fund

The District's Operating Budget is funded by multiple sources, which includes the Ministry of Education and Child Care Operating Grant, other Ministry of Education and Child Care Grants, other Provincial Grants, International Student Education Tuition, First Nation Local Education Agreement Funding, as well as other miscellaneous revenue not deemed Special Purpose by the Ministry of Education.

### Operating Grant

The provincial government and BC's 60 elected Boards of Education co-manage the education system in British Columbia. The province establishes the amount of grant funding available for public education annually and uses a funding formula to allocate these funds to Boards of Education. Boards manage and allocate their allotment based on local spending priorities that align with both the mandate of the Ministry of Education and Child Care and the School District's Strategic and Operational Plan. Operating Grants for the K-12 system are allocated using student data collected from districts and applying formulae to ensure equity across British Columbia.

The chart below shows the district's actual annual Operating Grants for 2018/19 to 2022/23, as well as the estimated operating grants per projected student enrolment for 2023/24, 2024/25 and 2025/26.



- ▶ *Future figures are preliminary estimates subject to enrolment and rates per funding category*
- ▶ *Future year forecasts are calculated using current year per student funding rates*
- ▶ *2025/26 revenue is lower than 2024/25 only due to less anticipated revenue in the supplemental categories, not due to fewer students overall*

## 2023-24 Preliminary Operating Grant

Reflected below is the overall change in the district's Operating Grant for the 2023/24 Annual Budget as compared to the 2022/23 Amended Annual Budget, per estimated student enrolment:

<b><i>NLPS - 2023-24 Annual Budget Operating Grant vs the 2022-23 Amended Annual Budget Operating Grant</i></b>								
	<b>Funded FTE</b>			<b>23/24 Rates</b>	<b>22/23 RATES</b>	<b>Funding</b>		
	<b>23/24 Annual Budget</b>	<b>22/23 Amended Budget</b>	<b>Change</b>			<b>23/24 Annual Budget</b>	<b>22/23 Amended Budget</b>	<b>Change</b>
<b>September Enrolment</b>								
Standard (Regular) Schools	14,405.226	14,342.938	62.29	8,625	7,885	124,245,074	113,094,062	11,151,012
Alternate Schools	285.000	285.000	-	8,625	7,885	2,458,125	2,247,225	210,900
Distributed Learning	258.168	282.563	(24.39)	6,960	6,360	1,796,849	1,797,098	(248)
Adult Education (Non-Graduates)	4.000	4.875	(0.88)	5,505	5,030	22,020	24,521	(2,501)
<b>Total September Enrolment</b>	<b>14,952.394</b>	<b>14,915.375</b>	<b>37.019</b>			<b>128,522,069</b>	<b>117,162,906</b>	<b>11,359,163</b>
<b>Unique Student Supplements</b>								
Home Schooling	79.00	79.000	-	250	250	19,750	19,750	-
Course Challenges	20.00	20.000	-	270	246	5,400	4,920	480
Level 1 Special Needs	18.000	20.000	(2.00)	49,070	44,850	883,260	897,000	(13,740)
Level 2 Special Needs	567.000	585.000	(18.00)	23,280	21,280	13,199,760	12,448,800	750,960
Level 3 Special Needs	172.000	188.000	(16.00)	11,760	10,750	2,022,720	2,021,000	1,720
English Language Learning	925.000	927.000	(2.00)	1,735	1,585	1,604,875	1,469,295	135,580
Indigenous Education	2,450.000	2,511.000	(61.00)	1,710	1,565	4,189,500	3,929,715	259,785
<b>Total Unique Student Supplements</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>21,925,265</b>	<b>20,790,480</b>	<b>1,134,785</b>
<b>Other Funding Categories</b>								
Equity of Opportunity Supplement						893,901	834,424	59,477
Salary Differential Supplement						3,388,329	3,355,081	33,248
Unique Geographic Factor Supplement						3,546,944	3,493,625	53,319
Education Plan Supplement						134,195	132,911	1,284
February Data Count (New SPED/DL/ELL)	97.911	119.000	(21.09)			792,221	863,575	(71,354)
May Data Count (New DL Only)	58.110	59.000	(0.89)			404,446	385,300	19,146
<b>Total Other Funding Supplements</b>	<b>156.021</b>	<b>178.000</b>	<b>(21.979)</b>			<b>9,160,036</b>	<b>9,064,916</b>	<b>95,120</b>
Total September Enrolment	14,952.394	14,915.375	37.019			128,522,069	117,162,906	11,359,163
Total Unique Student Supplements						21,925,265	20,790,480	1,134,785
Total Other Funding Categories	156.021	178.000	(21.98)			9,160,036	9,064,916	95,120
<b>Grand Total - FTE and Revenue</b>	<b>15,108.415</b>	<b>15,093.375</b>	<b>15.040</b>			<b>159,607,369</b>	<b>147,018,302</b>	<b>12,589,068</b>

The School District's 2023-24 Estimated Operating Block can be found at:

<https://www2.gov.bc.ca/assets/gov/education/administration/resource-management/k12funding/23-24/23-24-sd68-march-2023.pdf>

The Ministry of Education Operating Grant Manual, which contains the associated funding formulas, can be found at:

<https://www2.gov.bc.ca/assets/gov/education/administration/resource-management/k12funding/23-24/23-24-operating-grants-manual.pdf>

## Operating Fund – Summary of Revenue Changes

Represented below are the operating revenue changes made to the 2023/24 Annual Budget, compared to those included in the 2022/23 Annual Amended Budget.

Operating Fund - Summary of Revenue Changes	23-24 Annual Budget	22-23 Amended Budget	Change	
<b>MOE Operating Grant</b>	159,607,370	147,018,309	12,589,061	1
Less Local Education Agreement - Federal Funding	(1,498,724)	(1,498,724)	-	
<b>Total</b>	158,108,646	145,519,585	12,589,061	
<b>Other Ministry of Education Grants</b>			-	
Student Transportation	244,630	244,630	-	
Pay Equity	160,000	160,000	-	
Other	200,834	266,637	(65,803)	2
<b>Total</b>	605,464	671,267	(65,803)	
<b>Other Provincial Grants</b>			-	
Industry Training Grants	220,000	220,000	-	
MCFD Program	40,416	-	40,416	3
Other	-	66,862	(66,862)	4
<b>Total</b>	260,416	286,862	(26,446)	
<b>Other Revenue</b>				
Local Education Agreement - Federal Funding	1,498,724	1,498,724	-	
International Student Education	5,250,250	5,206,015	44,235	5
Conseil Scolaire Francophone (CSF)	320,000	464,680	(144,680)	6
Cafeteria Revenue	275,000	220,000	55,000	7
BC Hydro Energy Grant	50,000	50,000	-	
Rentals and Leases	600,000	530,000	70,000	8
Investment Income	1,100,000	900,000	200,000	9
Other	127,000	174,168	(47,168)	10
<b>Total</b>	9,220,974	9,043,587	177,387	
<b>Revenue prior to Surplus Appropriation/Transfers</b>	<b>168,195,500</b>	<b>155,521,301</b>	<b>12,674,198</b>	
Appropriated Surplus	-	2,881,138	(2,881,138)	11
Transfer of Operating Funds to Local Capital	-	(1,000,000)	1,000,000	12
<b>Total Operating Revenue</b>	<b>168,195,500</b>	<b>157,402,439</b>	<b>10,793,061</b>	

1) Revenue adj per increased student enrolment of 37.019FTE plus per pupil rate increases to fund General Wage Increases

2) Less \$65,803 which includes Misc. Grants and a reclassification of the MCFD Funding now reverted back to own category

3) MCFD Funding was reclassified in error, now moved back

4) Removal of the Seat Belt Pilot Project

5) Increased ISE Tuition per 23/24 student enrolment estimates

6) Reduction to the CSF Contract per student enrolment and subsidized funding under the CEF

7) Estimated increase in cafeteria revenue

8) Estimated increase to Rentals and Leases

9) Estimated increase in Investment Income due to interest rates and investment portfolio

10) Removal of one-time Grants

11) Removal of appropriated surplus as not applicable to 23/24

12) Removal of the Transfer to Local Capital; TBD in September following Accumulated Surplus confirmation



Overall revenue for the 2023/24 Annual Budget is estimated to be \$12.6 million over the 2022/23 Amended Budget. This is largely due to the Ministry increasing the per pupil funding rates to account for the significant general wage increases (GWI's) for NDTA and CUPE staff.

<b>2023/24 Operating Fund - Revenue Change Summary</b>	
<b>2022/23 Amended Annual Budgeted Revenue amount</b>	157,402,439
Less Removal of Restricted Surplus and Local Capital Transfer	(1,881,138)
<b>Total 2022-23 Base Operating Revenue</b>	<b>155,521,301</b>
<i>Changes in Revenue for the 2023/24 Annual Base Budget include:</i>	
International Student Education increase per projected student enrolment	44,235
Removal of the Seat Belt Pilot Project funding	(66,862)
Adjustment to the CSF Contract amount estimated for 23/24 (a portion of the reduction now funded by CEF)	(144,680)
Adjustment to Rentals and Community Use revenue per current/coming year preliminary estimates	70,000
Adjustment to Cafeteria revenue per current/coming year preliminary estimates	55,000
Adjustment Interest revenue per current/coming year preliminary estimates	200,000
Removal of Miscellaneous grants not applicable to 23/24	(72,555)
Updated Operating Grant based on our estimated Student Enrolment and Ministry funding levels	12,589,061
<i>Total Operating Revenue Adjustments</i>	<i>12,674,198</i>
<b>2023/24 Total Operating Revenue - Preliminary Annual Budget</b>	<b>168,195,500</b>

With regards to the International Student Program, note that we are estimating only a small increase in revenue over the 2022/23 Amended Budget. As compared to the very conservative student enrolment estimated during the pandemic and due to increased student participation in 2022/23, we have been less conservative for the coming year in an effort to stabilize the program and it's associated staffing levels post-pandemic. However, we have been advised that there is global uncertainty with international student enrolment and that agents are seeing a "softening of interest" over the last year. This rising trend has us somewhat concerned that we may not hit our targets, but we are still optimistic that interest in our program will continue. If we do miss our targets, we may need to appropriate surplus to offset the loss in revenue. Staff will be monitoring this closely and will provide updates as applicable. As this is an area of financial risk, it is recommended that the Board maintain a healthy surplus balance in September 2023 as a mitigation strategy.

*Policy 2.16 Accumulated Operating Surplus (Reserves)*  
*AP524 – Accumulated Operating Surplus (Reserves)*

Our 2023/24 Operating Investment Revenue is estimated to be \$1.1M, an increase of \$200k from the 2022/23 Annual Amended Budget amount of \$900k. Interest rates are expected to remain stable or begin to decrease at some point over the next year. As the current rates are significantly higher than the rates at the beginning of the prior fiscal year, we are still expecting an increase in revenue despite the potential rate decrease that may occur over the year.



## Operating Fund Expenses

Expense adjustments for the 2023/24 Preliminary Annual Budget start with detailed analysis of the operating expenses in the 2022/23 Amended Annual Budget. From there, all known, projected, or anticipated increases or decreases are accounted for which may include items such as salary and benefit rate adjustments, inflationary cost pressures, removal of budgets not applicable to the current year, contractual obligations, assumed risk mitigation strategies, and student enrolment. The following chart represents the district's adjusted operating expenses for the 2023/24 Annual Budget since the approval of the 2022/23 Amended Budget.

<b>2023/24 Operating Fund - Expense Change Summary</b>	
<b>Opening is the 2022/23 Amended Annual Budgeted Expense amount</b>	<b>157,402,439</b>
<i>Changes in Expense for the 2023/24 Annual Base Budget include:</i>	
Removal of Restricted/Unrestricted Surplus	(1,881,138)
CUPE Wage Increase (5.5%) - Includes CUPE negotiated LMA's and additional hour for Library Clerk/Computer Assist Learn Tutor	3,084,882
Average Teacher Salary adjustment for General Wage Increase (5.5%) plus estimated wage scale increments	7,810,953
Trustee Wage Update (Dec 2022 CPI increase was not updated in 22/23 Amended Budget in January - now corrected)	40,206
Exempt Staff general wage increase (Advised it will be Ministry funded but may not include District benefit costs)	303,753
School Calendar adj for 23/24 to include negotiated paid Non-Instructional Day and additional Stat for CUPE 10 month Employees	196,566
School based secondary staffing adjusted due to projected student enrolment	661,510
Program based staffing adjusted due to projected student enrolment - Island Connect Ed	(377,411)
School based elementary staffing adjustment due to projected student enrolment	435,659
Removal of miscellaneous grants/allocations not applicable to 23/24	(30,480)
Adjustment to Cafeteria Expense (historic expense was \$5K over revenue so adj only \$50K vs Revenue increase of \$55K)	50,000
Removal of Trustee election expense budgets	(150,000)
Removal of the Seat Belt Pilot Project staffing as no longer applicable (Diff to funding per 22/23 wage increase (3.24% + .25c)	(72,628)
Elementary Prep increase per BCTF contractual negotiations (from 110 to 120 mins)	397,310
School based Operating Budget update per projected student headcount	6,927
Increased Utilities Expense	50,000
Increase to the Indigenous Education Target per student enrolment and per student funding levels	259,785
One-time staffing additions in 22/23 not applicable per updated enrolment/formula based staffing now removed	(99,636)
EA Staffing ADJ per estimated Special Ed enrolment - additional staffing will flow in Sept. based on actual student enrolment/needs	(190,673)
CUPE Negotiated EA LOU for supplemental hours	193,872
CUPE negotiated shoe/boot allowance expense	29,450
Staffing transfer to Feeding Futures Fund (Secondary Cafeteria Program)	(419,234)
Benefit Rates adjustments for 2023/24 Estimates	493,388
<i>Total Operating Expense Adjustments</i>	<u>10,793,061</u>
<b>2023/24 Total Operating Expense - Preliminary Annual Budget</b>	<b><u>168,195,500</u></b>

The most significant expense adjustment is the 5.5% general wage increases (GWI's) that is applicable to 2023/24. There is a further 1.25% Cost-of-Living Adjustment (COLA) also due in 2023/24, however, we have not yet received funding for this so are not able to record the revenue or expense at this time. Funding is expected soon but likely won't make the Annual Budget so will be accounted for and presented within the Amended Annual Budget.

Staffing levels, school operating budgets, and district programs have been adjusted based on estimated student enrolment. Contractual obligations and negotiated collective agreement enhancements have been incorporated. The Ministry of Education and Child Care did not provide funding for inflationary costs in the 2023/24 Operating Grant thus departmental budgets are required to absorb costs within their current status-quo allocations. Note that if student enrolment exceeds initial projections and additional staffing is required, it will be added where necessary.

## Indigenous Education - Target Fund

Targeted Indigenous education funding requires the collaboration of Boards of Education and local Indigenous communities to develop and deliver Indigenous education programs and services that integrate academic achievement and Indigenous culture, language or both. School age students of Indigenous ancestry participating in Indigenous education programs and services offered by public schools are eligible for Indigenous education funding. Targeted funding provided to Boards of Education must be spent on the provision of Indigenous education programs and services. The delivery and outcomes of these programs and services must be documented, preferably through Enhancement Agreements.

Funded Indigenous education programs and services must be in addition to any other program and service which an Indigenous student is eligible. Targeted funding must not be used to replace other funded programs such as Special Education or English Language Learning, or for the delivery of the provincial curriculum (including courses such as BC First Nations Studies and English First Peoples).

The Indigenous Education Target falls under the district Operating Fund but it is a separate envelope of funding, strictly “targeted” for Indigenous students and programming and must be reported separately on Budget documents and Financial Statements. Note the historic financial summary provided below:

### Indigenous Ed - Historic Financial Summary

Fiscal Year	19/20		20/21		21/22		22/23	23/24
Student Enrolment	2373		2330		2469		2511	2450
Target Revenue	3,440,850	3,440,850	3,495,000	3,495,000	3,863,985	3,863,985	3,929,715	4,189,500
Deferred Revenue	330,281	330,281	337,364	337,364	457,473	457,473	415,439	TBD
<b>Total Revenue</b>	<b>3,771,131</b>	<b>3,771,131</b>	<b>3,832,364</b>	<b>3,832,364</b>	<b>4,321,458</b>	<b>4,321,458</b>	<b>4,345,154</b>	<b>4,189,500</b>
Budget vs Actuals	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Budget
Admin	44,804	49,133	47,024	47,579	-	-	-	-
Other Professionals	133,144	142,388	142,500	142,250	142,536	140,850	142,536	149,573
Teachers	1,459,207	1,426,931	1,494,221	1,304,675	1,720,743	1,637,221	1,838,870	1,874,439
EA	973,575	920,891	1,005,438	929,243	1,056,260	1,027,906	1,109,438	971,300
Support Staff	58,528	56,647	59,709	56,261	60,847	57,036	60,847	67,613
Replacement Costs	87,248	24,696	84,739	62,244	93,835	91,723	99,456	102,089
Benefits	686,565	656,958	716,858	643,597	780,075	740,140	828,496	802,534
Services/Supplies	328,060	156,123	281,875	189,042	467,162	211,143	265,511	221,952
<b>Total Expense</b>	<b>3,771,131</b>	<b>3,433,767</b>	<b>3,832,364</b>	<b>3,374,891</b>	<b>4,321,458</b>	<b>3,906,019</b>	<b>4,345,154</b>	<b>4,189,500</b>
<b>Year End Surplus</b>	-	<b>337,364</b>	-	<b>457,473</b>	-	<b>415,439</b>	-	-

\*Source 19/20 to 21/22 = Amended Budgets and Financial Statements - Program 1-31

\*Source 22/23 = Amended Budgets Program 1-31 - Actuals pending June 30th YE

\*Source 23/24 = Preliminary Annual Budget Program 1-31

As identified in the year end surplus line, the Target finishes its fiscal year in ongoing surplus positions, mostly due to staffing complexities (e.g., unfilled positions). For 2023/24 the Target has undergone a significant reorganization. The purpose of the reorganization is to reduce future surplus, to increase teaching time of current positions to encourage continuity in those positions and to ensure that all targeted resources are serving the purposes for which the funds are provided. Specifically, we are reducing an unfilled outreach position created as a result of COVID, we are reducing two CYFSW positions that also typically go unfilled and removing a coordinator position to ensure alignment with the requirements of the Target. The reallocation will allow for six teaching positions in our secondary schools to become continuing 1.0 FTE positions as well as they will fund an additional Hul'q'umi'num' language teacher on a permanent basis.

The reorganization aligns staffing with planned educational delivery and mitigates the Target's structural deficit by aligning expenses with the revenue generate strictly by student enrolment, not relying on year-end surplus, which we believe will be reduced under the new structure.

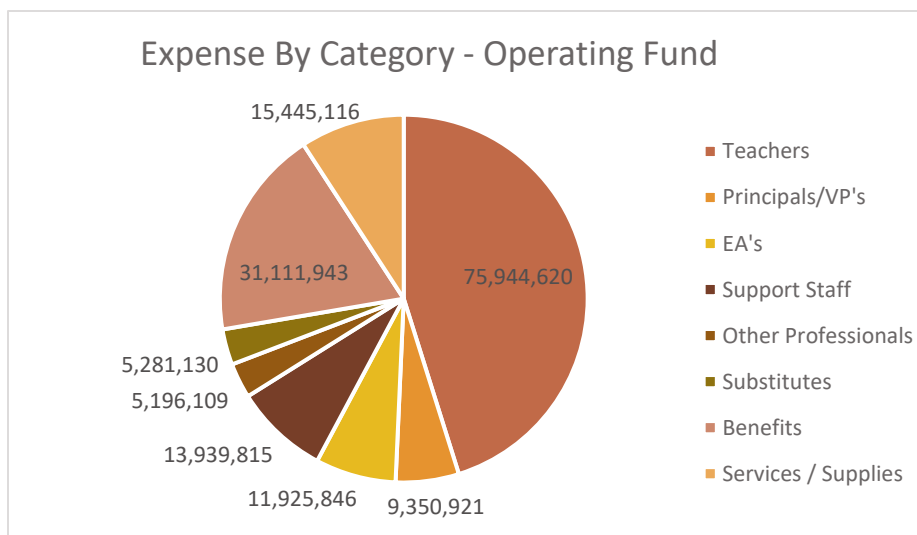
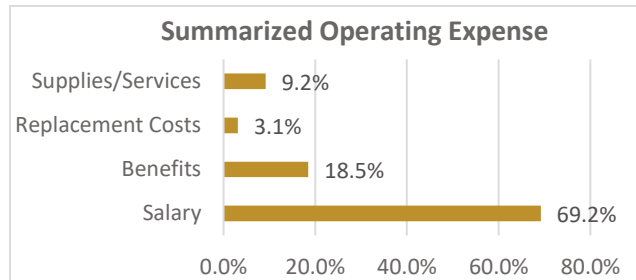
# Operating Fund Summary

For presentation to the Ministry of Education and Child Care, any transfer of Operating Revenue to Local Capital and an Appropriation of Restricted Surplus must be identified separately from general Revenue. For summary purposes, the chart below presents the Revenue and Expenses, as they will be shown on the 2023/24 Annual Budget Document for Bylaw approval.

Note that the district must transfer funds from Operating to Local Capital in order to support a variety of initiatives. However, as in 2022/23, staff are anticipating a year end surplus which will fund this transfer in September. A transfer in the preliminary Annual Budget would create a deficit that would require resource reallocation to mitigate.

<b>Operating Fund - Revenue and Expense Summary</b>	
Operating Revenue	168,195,500
Operating Expense	168,195,500
<b>Surplus(Deficit)</b>	-
Transfer of Operating Funds to Local Capital	-
Appropriation of Restricted Surplus	-
<b>Surplus(Deficit)</b>	-

Category	Expense	%
Teachers	75,944,620	45.2%
Principals/VP's	9,350,921	5.6%
EA's	11,925,846	7.1%
Support Staff	13,939,815	8.3%
Other Professionals	5,196,109	3.1%
Substitutes	5,281,130	3.1%
Benefits	31,111,943	18.5%
Services / Supplies	15,445,116	9.2%
<b>Total Expenses</b>	<b>168,195,500</b>	<b>100%</b>



## Operating Fund - Financial Summary

Presented below are the Operating Fund revenues and expenses for 2023/24 as compared to the 2022/23 Annual Amended Budget.

Operating Revenues and Expenses Summary			
	2023/24 Annual Budget	Change	2022/23 Amended Budget
<b>Revenues - Operating</b>			
Ministry of Education Grant	158,714,110	12,523,257	146,190,852
Other Provincial	260,416	(26,446)	286,862
International Student Tuition	5,250,250	44,235	5,206,015
Other Revenue	2,270,724	(136,848)	2,407,572
Rentals & Leases	600,000	70,000	530,000
Investment Income	1,100,000	200,000	900,000
<b>Total Revenues (before LC Transfer and Surplus Allocation)</b>	<b>168,195,500</b>	<b>12,674,198</b>	<b>155,521,301</b>
<b>Expenses - Operating</b>			
Salaries			
Teachers	75,944,620	7,209,866	68,734,754
Administrative Officers	9,350,921	272,809	9,078,112
Education Assistants	11,925,846	566,923	11,358,923
Support Staff	13,939,815	1,267,679	12,672,136
Other Professionals	5,196,109	322,655	4,873,454
Substitutes	5,281,130	(314,922)	5,596,052
Total Salaries	121,638,441	9,325,010	112,313,431
Benefits	31,111,943	2,859,308	28,252,635
Total Salaries and Benefits	152,750,384	12,184,318	140,566,066
Services & Supplies	15,445,116	(1,391,257)	16,836,373
<b>Total Expenses</b>	<b>168,195,500</b>	<b>10,793,061</b>	<b>157,402,439</b>
Net Revenue (Expense)	-	1,881,138	(1,881,138)
Restricted Surplus	-	(1,498,648)	1,498,648
Unrestricted Surplus	-	(1,382,490)	1,382,490
Local Capital Transfer	-	1,000,000	(1,000,000)
<b>Budgeted Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>

Budget vs Budget	23/24 Annual	22/23 Amended	Change \$	Change %
Teachers	75,944,620	68,734,754	7,209,866	10.49%
Administrative Officers	9,350,921	9,078,112	272,809	3.01%
Education Assistants	11,925,846	11,358,923	566,923	4.99%
Support Staff	13,939,815	12,672,136	1,267,679	10.00%
Other Professionals	5,196,109	4,873,454	322,655	6.62%
Substitutes	5,281,130	5,596,052	(314,922)	-5.63%
Benefits	31,111,943	28,252,635	2,859,308	10.12%
Services and Supplies	15,445,116	16,836,373	(1,391,257)	-8.26%
<b>Total Operating Expense</b>	<b>168,195,500</b>	<b>157,402,439</b>	<b>10,793,061</b>	<b>6.86%</b>

Note1: The reduction in the Supplies and Services category is only due to the removal of prior year Accumulated Operating Surplus

Note2: The negative amount under Substitutes is due to an adjustment to account for the anticipated savings generated by the VP as a TTOC Pilot Program

## Special Purpose Fund Overview

Special Purpose funds are separate funding envelopes provided by the Ministry of Education and Child Care or other third-party sources for particular programs, functions or activities. These individual funds have restrictions as to how they may be spent so revenues and expenditures are tracked separately. In addition, each fund has reporting requirements either annually, semi-annually or are subject to contract specifications. Where applicable, surplus balances at the end of each year or purpose are either returned back to the funding party, or in the case of a Ministry program, are deferred for use in the next fiscal year.

A summary of the Special Purpose Funds confirmed for 2023/24, as well as a three-year historic summary of the districts ongoing Special Purpose Funds is presented below:

Special Purpose Funds	3 Year Historic Summary			2023/24
	2020/21	2021/22	2022/23	
Classroom Enhancement Fund	12,068,477	11,519,097	11,724,721	12,412,842
Learning Improvement Fund	488,486	487,126	498,816	604,136
CommunityLINK	2,311,113	2,361,778	2,361,778	2,542,371
Annual Facilities Grant	555,642	543,922	555,746	555,746
Strong Start Fund	256,000	256,000	256,000	256,000
Ready Set Learn Fund	63,700	63,700	66,150	66,150
Federal French Fund	222,497	255,636	255,636	255,636
Mental Health Fund	51,000	120,482	51,000	51,000
CR4YC (ChangeResults4YoungChildren)	11,250	11,250	11,250	11,250
SEY2KT (StrengthenEarlyYrs2KTransition)			19,000	19,000
Seamless Day K		50,000	55,400	55,400
ECE Dual Credit			29,000	29,000
Early Learning Child Care Capacity			175,000	175,000
BCTEA - Student Transportation Fund	244,052	226,768	191,947	TBD
Feeding Futures Fund				1,663,981
Student Family Affordability Fund			1,458,182	n/a
<b>Total</b>	<b>16,272,217</b>	<b>15,895,759</b>	<b>17,709,626</b>	<b>18,697,512</b>

*Note1: The chart represents the districts ongoing Special Purpose Funds*

*Note2: Student Family Affordability shown but discontinued as Feeding Futures replaces going forward*

Special Purpose Funds may change over the course of the fiscal year, further, new Funds may be announced. The district may also receive miscellaneous unanticipated funding over the course of a fiscal year. These are not included above as they vary year to year.

Additional Special Purpose Grants received after the Annual Budget has been approved, or any changes to our current funding levels, will be accounted for and presented in the Amended Annual Budget in February 2024.



## Summary by Fund

*AFG (Annual Facility Grant)* - Funding provided to Boards of Education to use at their discretion for projects required to maintain facility assets through their anticipated economic life and to prevent premature deterioration of these assets. The amount of the Annual Facility Grant will be calculated by the Ministry of Education and Child Care using a formula based on student enrolment and the average age of facilities, with an adjustment made for unique geographic factors.

The Annual Facilities Grant consists of two components, a Capital allocation, and a Special Purpose allocation. The total funding envelope for 2023/24 is \$3,478,734 which is a significant increase over the past number of years where funding has been approximately \$2.8 million. The district is extremely pleased with the \$629,057 increase over 2022/23 as inflationary costs have put extreme pressure on project delivery.

The Board of Education may expend its Annual Facility Grant for the purpose of:

- ▶ Upgrading or replacing existing facility components throughout the expected economic life of an existing capital asset
- ▶ Enhancing the service potential of an existing capital asset or a component of an existing capital asset by correcting deficiencies in design or construction, and unsafe conditions
- ▶ Significantly lowering the associated operating costs of an existing capital asset
- ▶ Extending the life of an existing capital asset or a component of an existing capital asset beyond its original life expectancy.

The table below is a high-level summary of planned spending in 2023/24, per Ministry AFG category, along with the original 2022/23 summary for comparison:

### Annual Facilities Grant Summary

AFG Eligible Category		2023/24		2022/23	
		Budget	%	Budget	%
1	Roof Replacements	\$ 955,215	27.8%	\$ 567,615	20.3%
2	Mechanical System Upgrade	\$ 764,621	22.3%	\$ 271,194	9.7%
3	Electrical System Upgrade		0.0%	\$ 12,614	0.5%
4	Facility Upgrades	\$ 601,459	17.5%	\$ 696,529	24.9%
5	Loss Prevention	\$ 76,782	2.2%	\$ -	0.0%
6	Functional Improvements	\$ 137,568	4.0%	\$ 44,148	1.6%
7	Tech Infrastructure Upgrade	\$ -	0.0%	\$ -	0.0%
8	Site Upgrade	\$ 19,196	0.6%	\$ 143,796	5.1%
9	Disabled Access	\$ 185,557	5.4%	\$ 9,460	0.3%
10	Asbestos Abatement	\$ -	0.0%	\$ 3,153	0.1%
11	Health & Safety Upgrades	\$ 115,173	3.4%	\$ 372,734	13.3%
12	Site Servicing	\$ 575,865	16.8%	\$ 681,138	24.3%
<b>Total AFG Project Costs</b>		<b>\$ 3,431,436</b>		<b>\$ 2,802,379</b>	
CAMS Contribution		\$ 47,298		\$ 47,298	
<b>Total AFG Funding</b>		<b>\$ 3,478,734</b>		<b>\$ 2,849,677</b>	
<i>Less Capital Portion</i>		<i>\$ (2,922,988)</i>		<i>\$ (2,293,931)</i>	
<b>Balance = Special Purpose Portion</b>		<b>\$ 555,746</b>		<b>\$ 555,746</b>	

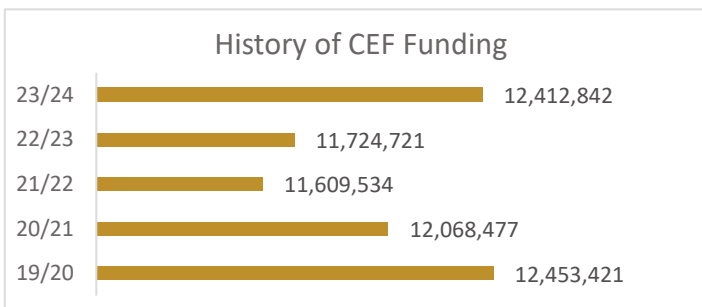
\* Note 1: Contingency and Administration have been estimated and applied to each category.

\* Note 2: Initial planning figures are presented above; adjusted over the fiscal year for emergent projects

**Classroom Enhancement Fund (CEF)** - This Fund was introduced by the Ministry of Education and Child Care in August 2017 as a result of the Supreme Court decision to restore class size and composition limits, pursuant to LOU17. The fund originally provided for capital needs related to additional classroom spaces and associated supplies, increased overhead costs, and the additional teacher staffing required under the restored language. At this time only overhead and teacher staffing costs are funded by Ministry, any costs related to additional classroom space must be funded by district reserves. Note that the overhead funding provides resources for increased Facilities, Payroll and HR staff necessary to support the restored language.

CEF Funding Summary	2019/20	2020/21	2021/22	2022/23	2023/24
Teacher Staffing	10,485,237	10,413,172	9,846,959	9,939,372	10,878,216
Overhead	1,572,967	1,402,180	1,402,180	1,402,180	1,534,626
Remedy	395,217	253,125	360,395	383,169	TBD
<b>Total Funding</b>	<b>12,453,421</b>	<b>12,068,477</b>	<b>11,609,534</b>	<b>11,724,721</b>	<b>12,412,842</b>

\* In October 2023 the District will submit the cost of actual staffing needs and estimated remedy costs pursuant to LOU17, any additional funding requested will be confirmed and provided in December 2023.



CEF Rev/Exp Summary	Actual 19/20	Actual 20/21	Actual 21/22	Budget 22/23	Budget 23/24
Deferred Revenue	481,217	76,637	28,119	<b>40,722</b>	
Revenue Current Yr.	12,453,421	12,068,477	11,609,534	<b>11,724,721</b>	<b>12,412,842</b>
Less, Recovered by MOE	(481,217)	(76,637)	(28,119)		
<b>Expenditures</b>					
Teacher Staffing	(8,361,084)	(8,361,353)	(7,863,554)	<b>(7,941,967)</b>	<b>(8,672,739)</b>
Administrators	(256,819)	(274,070)	(262,526)	<b>(264,334)</b>	<b>(276,407)</b>
Education Assistants	(58,514)	-			
Support Staff	(371,071)	(402,336)	(404,998)	<b>(403,059)</b>	<b>(412,842)</b>
Other Professionals	(101,715)	(104,665)	(103,746)	<b>(104,142)</b>	<b>(109,349)</b>
Substitutes	(500,380)	(512,141)	(601,983)	<b>(622,069)</b>	<b>(381,067)</b>
Benefits	(2,414,730)	(2,346,293)	(2,292,505)	<b>(2,339,761)</b>	<b>(2,502,520)</b>
Supplies and Services	(309,471)	(39,500)	(39,500)	<b>(90,111)</b>	<b>(57,918)</b>
Capital purchases	-	-	-	-	-
<b>Surplus(Deficit) at Year End</b>	<b>79,637</b>	<b>28,119</b>	<b>40,722</b>	<b>-</b>	<b>-</b>

\*Source for Actuals - Financial Statements (22/23 Actuals TBD)

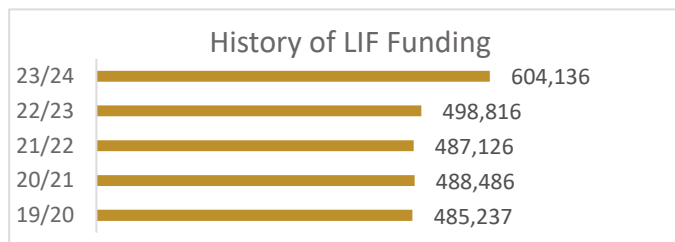
\*Source for Budget 22/23 - Amended Annual Budget

\*Source for Budget 23/24 - Preliminary Annual Budget



**Learning Improvement Fund (LIF)** - The Support Staff Learning Improvement Fund provides an ongoing multi-year commitment of additional resources, specifically targeted to support complex classes that present challenging learning conditions. Districts have discretion in how they allocate these funds to improve the learning conditions for all students and support teachers in meeting student needs.

In agreement between CUPE Local 606 and the district, this Fund provides an additional hour for each Education Assistant position (to the max of the Fund), as well as increases Supervision Aide positions from 3.3 to 3.5 hours each. Additionally, there is one extra EA position supported by this Special Purpose Fund. As EA positions have been increasing the status-quo Fund has not been able to cover the total cost of the top-up hours. This has meant the EA operating budget has been supplementing the shortfall, however, funding for 2023/24 is significantly higher than in previous years so it can once again cover the full cost of the top-up hours which reduces EA operating costs, thereby allowing the district to increase support to special needs students.



LIF Rev/Exp Summary	Actual 19/20	Actual 20/21	Actual 21/22	Budget 22/23	Budget 23/24
Deferred Revenue	-	11,312			
<b>Revenue</b>	<b>485,237</b>	<b>488,486</b>	<b>487,126</b>	<b>498,816</b>	<b>604,136</b>
<b>Expenditures</b>					
Education Assistants	(358,639)	(376,236)	(366,941)	(373,092)	<b>(435,853)</b>
Support Staff					
Substitutes	(16,747)	(17,551)	(17,104)	(19,401)	<b>(23,972)</b>
Benefits	(98,538)	(105,658)	(103,081)	(105,384)	<b>(114,956)</b>
Supplies and Services		(353)	-	(939)	<b>(29,355)</b>
<b>Surplus(Deficit) at Year End</b>	<b>11,313</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Source for Actuals - Financial Statements (Actuals for Fiscal 22/23 TBD)

\*Source for Budget 22/23 - Amended Annual Budget

\*Source for Budget 23/24 - Preliminary Annual Budget

### Learning Improvement Fund Budget Summary

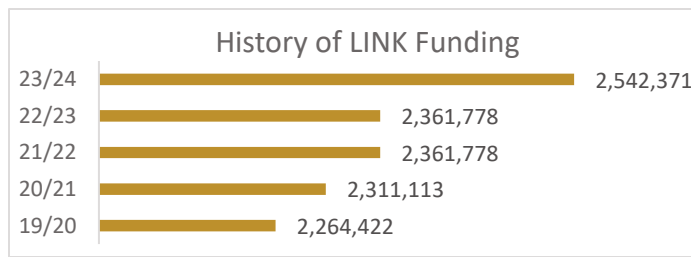
Fiscal Year		2023/24		Fiscal Year		2022/23	
<b>Total Revenue</b>		<b>604,136</b>		<b>Total Revenue</b>		<b>498,816</b>	
<b>Expenditures</b>				<b>Expenditures</b>			
1 EA (30Hrs/wk.)	0.857 FTE	53,023		1 0.857 FTE	48,553		
280 EA Positions - 1 hr top-up	8.000 FTE	477,425		264 7.543 FTE	409,040		
130 Supervision Aides @ .2hrs ea	0.743 FTE	44,332		130 0.743 FTE	40,284		
Fund Reserve		29,356		-	939		
<b>Total Expenses</b>		<b>604,136</b>		<b>Total Expenses</b>		<b>498,816</b>	
<b>Surplus/Deficit</b>		<b>-</b>		<b>Surplus/Deficit</b>		<b>-</b>	

\* Note: The Fund reserve is to cover inflationary costs and/or additional EA top-ups

**CommunityLINK** – This fund is in support of the academic achievement and social functioning of vulnerable students. Programs and services can include breakfast, lunch and snack programs, academic supports, counseling, youth workers and after-school programs. Decisions about specific programs and services are left to school boards so that the needs of individual students and local communities are met.

The majority of our CommunityLINK Fund provides the resources for our Child Youth Family Support Workers whose role is focused on providing guidance, ongoing assistance, encouragement and support to “at risk” students in developing and achieving appropriate behaviour, personal and life skills, as well as assists them with integrating or re-integrating into the regular school system.

CommunityLINK funding has remained fairly consistent over the past number of years, however with rising salary and benefit costs the fund has moved into a structural deficit, requiring use of any prior year surplus to sustain it. Funding for 2023/24 has been increased for wage enhancements, however, it was still not enough to absorb current staffing levels. To mitigate the structural deficit, we have moved appropriate staffing between the Operating Fund and CommunityLINK.



LINK Rev/Exp Summary	Actual 19/20	Actual 20/21	Actual 21/22	Budget 22/23	Budget 23/24
Deferred Revenue	115,404	109,812	47,543	83,949	
<b>Revenue</b>	<b>2,264,422</b>	<b>2,311,113</b>	<b>2,361,778</b>	<b>2,361,778</b>	<b>2,542,371</b>
<b>Expenditures</b>					
Teacher Staffing	(333,036)	(355,579)	(377,611)	(377,880)	(345,690)
Education Assistants	(1,299,514)	(1,350,493)	(1,290,878)	(1,286,702)	(1,542,667)
Support Staff	(30,000)				
Other Professionals	(100,429)	(103,307)	(73,296)	(104,142)	
Substitutes	(2,500)	(55,890)	(68,647)	(71,886)	(80,714)
Benefits	(448,019)	(452,624)	(457,016)	(464,489)	(475,636)
Supplies and Services	(56,516)	(55,489)	(57,924)	(140,628)	(97,664)
<b>Surplus(Deficit) at Year End</b>	<b>109,812</b>	<b>47,543</b>	<b>83,949</b>	<b>-</b>	<b>-</b>

\*Source for Actuals - Financial Statements (Actuals for Fiscal 22/23 TBD)

\*Source for Budget 22/23 - Amended Annual Budget

\*Source for Budget 23/24 - Preliminary Annual Budget

With the reorganization, there is a small Fund reserve (\$35K) that can be used to support complex student needs, as identified, over the course of the school year. Additionally, any balance at the end of 2022/23 will be added to the CommunityLINK budget in early October and will supplement the Fund reserve.

The proposed 2023/24 budget for CommunityLINK as compared to 2022/23, is as follows:

<b>CommunityLINK Budget</b>	<b>2023/24 Annual Budget</b>		<b>2022/23 Amended Budget</b>	
<b>Revenue</b>				
Deferred Revenue (Prior yr. surplus)		-		83,949
Annual Revenue		2,542,371		2,361,778
<b>Total Revenue</b>		<u>2,542,371</u>		<u>2,445,727</u>
<b>Expenses</b>				
Specialist Teacher	0.400 FTE	49,878	0.700 FTE	79,233
SST/ELL Support	0.000 FTE	-	0.500 FTE	56,595
Community School Coordinators	2.000 FTE	139,382	0.000 FTE	-
Coordinator	3.000 FTE	387,248	3.000 FTE	343,161
Mental Health Manager	0.000 FTE	-	1.000 FTE	126,533
30 Child Youth Family Support Workers	28.286 FTE	1,817,046	28.286 FTE	1,653,095
Education Assistants	0.857 FTE	51,153	0.857 FTE	46,482
Mileage/Phone/Supplies		54,000		54,000
Contingency		\$ 43,664		86,628
<b>Total Expenses</b>		<u>2,542,371</u>		<u>2,445,727</u>
<b>Surplus (Deficit)</b>		<u>-</u>		<u>-</u>

Note1: .50 SST/ELL and .30 Speech Pathologist FTE has been moved into the Operating Fund

Note2: The Mental Health Manager has been moved into the Operating Fund

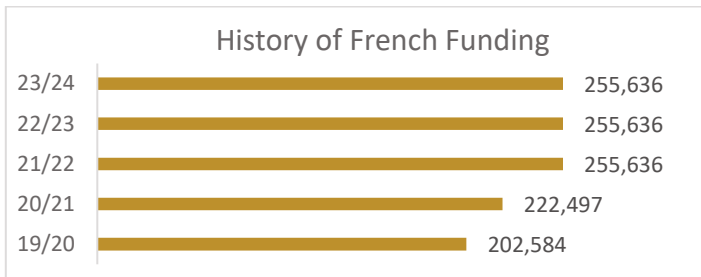
Note3: Two Community School Coordinators have been moved into Community LINK

**Official Language Education Program (OLEP)** - The Ministry of Education and Child Care administers Federal funding intended to support incremental costs resulting from offering French as a second official-language in British Columbia. The district anticipates the same funding level in 2023/24 that was received in 2022/23 which was \$255,636.

This funding may be reviewed, amended, or supplemented at the Ministry of Education and Child Care's discretion, on an annual basis, depending on reported enrolment in French as a second language, and the availability of funds from the BC action plan. All Federal Funds received by school districts must be spent entirely in support of French Immersion Programs or Core French Courses. The ministry could reclaim any portion of the grant not used for this purpose.

Funds are provided under seven categories; however, school districts have the flexibility to reallocate funds between these categories to best support the educational services provided. The districts OLEP Grant supports a 1.0 FTE Coordinator position, as well as financial allocations out to schools for educational resources, technology, cultural activities, and professional development opportunities for Core and French Immersion teachers.

Financial data under this funding is as follows:



OLEP Rev/Exp Summary	Actual 19/20	Actual 20/21	Actual 21/22	Budget 22/23	Budget 23/24
Deferred Revenue	31,779	90,273	47,611	35,628	
<b>Revenue</b>	<b>202,584</b>	<b>222,497</b>	<b>255,636</b>	<b>255,636</b>	<b>255,636</b>
<b>Expenditures</b>					
Teacher Staffing	(19,256)	(120,857)	(122,476)	(91,400)	(102,650)
Substitutes			(9,788)	(26,302)	(26,302)
Benefits	(4,578)	(28,627)	(28,156)	(29,563)	(33,008)
Supplies and Services	(98,302)	(104,459)	(92,127)	(143,999)	(93,676)
Capital purchases	(21,954)	(11,217)	(15,072)		
<b>Surplus(Deficit) at Year End</b>	<b>90,273</b>	<b>47,610</b>	<b>35,628</b>	<b>-</b>	<b>-</b>

\*Source for Actuals - Financial Statements (Actuals for Fiscal 22/23 TBD)

\*Source for Budget 22/23 - Amended Annual Budget

\*Source for Budget 23/24 - Preliminary Annual Budget

**StrongStart BC** - StrongStart programs provide school-based early learning services for families or caregivers and their pre-school aged children, at no cost to families. The programs are intended to fill a niche for young children who are not attending childcare and are in the home with their parent or other caregivers, such as grandparents or nannies. Both children and adults' benefit from StrongStart BC early learning programs as children have access to high-quality learning environments and benefit from social interactions while the adults who accompany them learn new ways to support learning, both at the program and at home.

StrongStart centres, administered by School Districts, provide a positive early learning experience for children where the goal is to create an interactive, play-based environment that supports caregivers and children to enjoy learning together, develop essential skills and prepare for a transition to school.

Nanaimo Ladysmith Public Schools operates eight Strong Start Centers across the District, located at Bayview Elementary School, Cedar Elementary School, Fairview Community School, Frank J. Ney Elementary, Georgia Avenue Community School, Ladysmith Primary, McGirr Elementary School, and Quarterway Elementary School

The Ministry of Education and Child Care provides \$32,000 worth of funding for each center in support of programs and activities offered. With no planned changes for 2023/24, budget still provides for one StrongStart Facilitator at each site as well as a small allocation for program resources.

Important to note that due to rising salary and benefit costs, the status-quo funding level no longer covers the full cost of our Strong Start Facilitators. The district will be in a position this fiscal year of potentially supplementing costs with the Operating Fund, depending on the 2022/23 year-end balance of the StrongStart Fund. If there are surplus funds, they will be added to budget in October and may cover costs, but it is anticipated that there will be cost overrun that will be absorbed by the Operating Fund.

For the 2023/24 Preliminary Annual Budget, we have transferred approximately \$20K of benefit costs out of Strong Start to balance that budget, and into the Operating Fund. Future year budgeting will require further supplement by the Operating Fund if Ministry does not increase the StrongStart Program funding.

*Financial data for the StrongStart program is represented below:*

Strong Start Rev/Exp Summa	Actual 19/20	Actual 20/21	Actual 21/22	Budget 22/23	Budget 23/24
Deferred Revenue	964	12,338	33,855	32,849	
<b>Revenue</b>	<b>257,264</b>	<b>256,000</b>	<b>256,000</b>	<b>256,000</b>	<b>256,000</b>
<b>Expenditures</b>					
Education Assistants	(180,324)	(170,662)	(185,387)	(197,001)	(217,244)
Benefits	(59,667)	(56,932)	(60,813)	(52,895)	(34,092)
Supplies and Services	(5,899)	(6,889)	(10,806)	(38,953)	(4,664)
<b>Surplus(Deficit) at Year End</b>	<b>12,338</b>	<b>33,855</b>	<b>32,849</b>	<b>-</b>	<b>-</b>

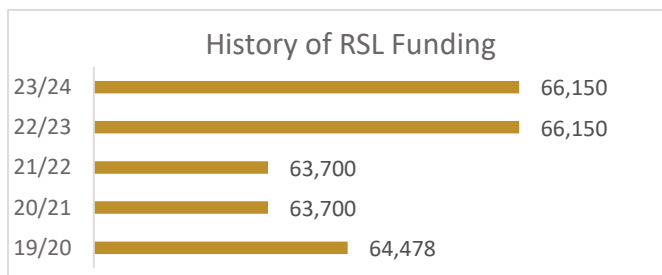
*\*Source for Actuals - Financial Statements (Actuals for Fiscal 22/23 TBD)*

*\*Source for Budget 22/23 - Amended Annual Budget*

*\*Source for Budget 23/24 - Preliminary Annual Budget*

**Ready Set Learn** - Intended for families and their three- to five-year-old children, Ready, Set, Learn is all about fostering positive connections between families, the school system and local community agencies.

Elementary schools that enroll Kindergarten classes hold Ready, Set, Learn events in their schools or communities. These events provide a fun, family-oriented atmosphere with the intent of supporting children’s transitions into school. Families who attend an event at a local school take part in play-based activities while learning about early learning programs and services, their local elementary school, and their communities. Events may feature guests, handouts, or information from community agencies and other early childhood service providers.



Financial information for this program is as follows:

RSL Rev/Exp Summary	Actual 19/20	Actual 20/21	Actual 21/22	Budget 22/23	Budget 23/24
Deferred Revenue	16,221	22,119	39,066	37,086	
<b>Revenue</b>	<b>64,478</b>	<b>63,700</b>	<b>63,700</b>	<b>66,150</b>	<b>66,150</b>
<b>Expenditures</b>					
Education Assistants					
Substitutes	(5,568)	(12,165)	(11,388)	(14,500)	
Benefits	(1,190)	(2,309)	(2,072)	(3,625)	
Supplies and Services	(51,822)	(32,279)	(36,373)	(85,111)	
Capital purchases			(15,847)		
<b>Surplus(Deficit) at Year End</b>	<b>22,119</b>	<b>39,066</b>	<b>37,086</b>	<b>-</b>	<b>66,150</b>

\*Source for Actuals - Financial Statements (Actuals for Fiscal 22/23 TBD)

\*Source for Budget 22/23 - Amended Annual Budget

\*Source for Budget 23/24 - Preliminary Annual Budget

**Feeding Futures Fund** - In 2022/23 the Ministry of Education and Child Care provided school districts across the province with funding to address inflationary costs, most specifically related to food security, with a new Fund called the Student Family Affordability Fund (\$1.46 Million). This Fund is not continuing into 2023/24 but is instead being replaced with the ongoing Feeding Futures Fund. Ministry has advised that funding is confirmed under the current three-year Provincial budget, but also stated that the government has every intention of continuing this funding envelope for the foreseeable future. The new Fund builds on the progress made with the Student Family Affordability Fund aimed at addressing the immediate need of feeding students and to help reduce the challenge of rising food costs for families who need it most.

The new Fund can be used to support current programs, program enhancements, and allow for new programming to provide healthy meals and snacks to students. Additional staffing, dedicated to food program delivery, is also able to be supported by the new Fund.

The secondary cafeteria program has been transferred into the Special Purpose Fund and the balance will support future programming once needs have been identified.

The 2023/24 preliminary budget is as follows:

**Feeding Futures Fund Budget**

Fiscal Year	2023/24	
<b>Total Revenue</b>	<b>1,663,981</b>	
<b>Expenditures</b>		
4 Chef's Education Assistants	2.743 FTE	162,491
4 Cafeteria Attendants	2.286 FTE	126,476
4 Partial Teaching Assignments	1.001 FTE	124,820
TBD Programming Reserve		1,250,194
<b>Total Expenses</b>	<b>1,663,981</b>	
<b>Surplus/Deficit</b>	<b>-</b>	

\*Note1: Cafeteria programs are at NDSS, Dover, LSS and John Barsby

\*Note2: Cost savings to the Operating Fund offset inflationary budget pressures



*Miscellaneous Special Purpose Funds* – The District may receive additional funding throughout the year but as funding in this category varies from year to year, it is not generally estimated or budgeted in advance. Any funding the district does receive will be reflected in the Amended Annual Budget in February 2024. However, we do anticipate funding for programs if they’ve been provided over multi-years. For Budget 23/24 we have included revenues and expenses for the following:

Mental Health Grant	\$51,000
CR4YC - Changing Results 4 Young Children	\$11,250
SEYKT - Strengthening Early Years to Kindergarten Transitions	\$19,000
ECE Dual Credit Program	\$29,000
ELCCCF - Early Learning Child Care Capacity Fund	\$175,000
BCTEA Student Transportation Fund (approx.)	\$200,000

Any additional grants received over the fiscal year will be presented in the Amended Annual Budget if recorded in time or presented within the year-end Financial Statements.

## District Staffing

District staffing consolidated under the Operating, Special Purpose, and Capital Fund has increased substantially over the last six years as reflected in the chart below. There are multiple contributing factors which include:

- Restoration of the class size and composition language under LOU17 (Classroom Enhancement Fund)
- Student enrolment growth
- The global pandemic affecting operations during the fiscal years of 2019/20, 2020/21 and into 2021/22 where increased teaching staff, educational assistance, and custodial staff were required to support alternate learning options, diverse student needs, and enhanced cleaning protocols; *upon ease of restrictions those additional staffing supports have been discontinued*
- Post COVID we are seeing an increased number of students with unique needs who require additional assistance to enable them to access and participate in educational programming.
- Increased Capital works in support of Ministry approved projects, facility upgrades, and classroom space modifications or additions per enrolment pressures

The chart below provides historic staffing levels up to those included within the 2022/23 Amended Budget.

Student FTE September Enrolment	13,728	14,035	14,295	14309	14771	14915	22/23
Budgeted FTE Staffing	17/18	18/19	19/20	20/21	21/22	22/23	Student to Staff Ratio
Teachers	832.178	864.431	877.274	883.505	885.403	887.194	17
Administrative Officers	59.600	66.200	65.800	67.000	69.750	71.000	210
Education Assistants	276.923	298.868	312.886	311.448	323.021	318.726	47
Support Staff	241.161	251.264	250.835	277.982	271.255	265.053	56
Other Professionals	44.000	47.500	51.500	53.000	53.500	54.000	276
<b>Total</b>	<b>1453.862</b>	<b>1528.263</b>	<b>1558.295</b>	<b>1592.935</b>	<b>1602.929</b>	<b>1595.973</b>	<b>9</b>
<b>Student to Staff Ratio</b>	<b>9.44</b>	<b>9.18</b>	<b>9.17</b>	<b>8.98</b>	<b>9.22</b>	<b>9.35</b>	

\*Source - Amended Annual Budgets



## Summary of Changes in FTE

The chart below is a summary of the changes in FTE from the 2022/23 Amended Annual Budget to the 2023/24 Preliminary Annual Budget. Student enrolments are the most significant factor as staffing levels are provided based on student Headcount, and pursuant to class size and composition. Also, as a reminder, the Indigenous Education and CommunityLINK reorganizations and the new Feeding Futures Fund are the other most notable changes in FTE.

2023-24 Annual Budget Summary of Staffing Change - All Funds			
	Op Fund	SPF	Total
<b>Administrative Officers</b>			
Vice Principal no longer applicable at Rock City per enrolment	(1.000)		<b>(1.000)</b>
<b>Excluded Staff</b>			
Community LINK Fund Reorg - Mental Health Manager moved to OP	1.000	(1.000)	-
<b>Teachers</b>			
Increased Secondary FTE per enrol	6.670		6.670
Increased Elementary FTE per enrol/CEF transfer	2.873	(0.309)	2.564
ISE Staffing per enrol (Secondary)	2.430		2.430
Removal of FTE at Island Connect Ed to pre-pandemic levels per enrol	(2.855)		(2.855)
Contractual Prep increase	3.184		3.184
VP as a Priority TTOC Pilot	2.775		2.775
Feeding Future Fund set-up - Move Cafeteria FTE	(1.001)	1.001	-
Community LINK Fund Reorg - .30 SLP Time moved from LINK to Op	0.300	(0.300)	-
Removal of one-time FTE added per enrol pressures in 2022/23	(5.783)		(5.783)
<b>Total Teachers</b>	<b>8.593</b>	<b>0.392</b>	<b>8.985</b>
<b>Support Staff</b>			
Seat Belt Pilot Project discontinued	(1.561)		(1.561)
Surplus funded enhanced cleaning protocol removed	(1.606)		(1.606)
Short term temp Clerical added in 22/23 removed	(1.692)		(1.692)
HR Clerical added		1.000	1.000
Bus Driver FTE transfer between Funds	2.553	(2.553)	-
Library FTE increased per bargained additional hour/week	0.258		0.258
<b>Total Support Staff</b>	<b>(2.048)</b>	<b>(1.553)</b>	<b>(3.601)</b>
<b>Education Assistants</b>			
Feeding Future Fund set-up - Move Cafeteria Staff	(5.028)	5.028	-
Community LINK Fund Reorg - 2 CSC's from Op to LINK	(1.886)	1.886	-
Elementary/Secondary EA Special Ed staffing per enrol projections	(0.238)		(0.238)
Surplus funded 22/23 Summer outreach program removed	(0.957)		(0.957)
<b>Total Education Assistants</b>	<b>(8.109)</b>	<b>6.914</b>	<b>(1.195)</b>
<b>Indigenous Education Target Re-Organization</b>			
<b>Teachers</b>			
Reallocation of 1 Coordinator	(1.000)		(1.000)
Ongoing Increase in Teaching/Outreach Support	1.830		1.830
<b>Total Teachers</b>	<b>0.830</b>		<b>0.830</b>
<b>Education Assistants</b>			
Removal of additional hours funded in 22/23 with Surplus Funds	(2.033)		(2.033)
Reallocation of 2 CYSFW positions at FI Schools	(1.886)		(1.886)
Reallocation of an Outreach Position	(0.857)		(0.857)
<b>Total Education Assistants</b>	<b>(4.776)</b>	<b>-</b>	<b>(4.776)</b>
<b>Total All Categories</b>	<b>(5.510)</b>	<b>4.753</b>	<b>(0.757)</b>

2023-24 Summary of FTE Changes - All Funds			
Category	23/24 Annual Budget	Change	22/23 Amended Budget
Teachers	897.009	9.815	887.194
Administrative Officers	70.000	(1.000)	71.000
Education Assistants	312.755	(5.971)	318.726
Support Staff	261.452	(3.601)	265.053
Other Professionals	54.000	-	54.000
<b>Total FTE</b>	<b>1595.216</b>	<b>(0.757)</b>	<b>1595.973</b>



## Consolidated Funds Summary

### Total Operating Revenues and Expenses are \$168,195,500

Most notable changes from the 2022/23 Amended Budget include:

- Small overall increase in Student Enrolment
- Wage, benefit, replacement cost, and inflationary increases
- Contractual obligations
- Removal of prior year surplus revenue and expenses
- Removal of one-time revenues and expenses not applicable to 2023/24
- Transfer of the Secondary Cafeteria program expenses to the new Special Purpose Fund
- Reorganization of CommunityLINK which included a small cost transfer to the Operating Fund
- Reorganization of the Indigenous Education Target to limit year-end surplus

### Total Special Purpose Revenues and Expenses are \$21,442,800

Most notable changes from the 2022/23 Amended include:

- Removal of the prior year surplus and expenses from each applicable Fund
- Removal of miscellaneous grants not applicable to 2023/24
- Updated Revenue and Expenses for 2023/24 Grants
- CommunityLINK reorganization
- Addition of the new Feeding Futures Fund - *program expenses still TBD*

## Budget Reconciliation

The 2023/24 Annual Budget, reconciled to include the Operating, Special Purpose, and Capital Funds, is presented below, as well as the District's Budgeted Bylaw amount. These figures can be found on Statement 2 of the Ministry of Education and Child Care Annual Budget document which is provided separately.

2023/24 Budget Reconciliation	
Operating Revenue	168,195,500
Special Purpose Revenue	21,442,800
Amortization of Deferred Capital Revenue	7,350,000
Local Capital Investment Income	200,000
<b>Total Revenue</b>	<b>197,188,300</b>
Operating Expense	168,195,500
Special Purpose Expense	21,442,800
Amortization of Capital Asset Expense	10,950,000
<b>Total Expense</b>	<b>200,588,300</b>
Surplus(Deficit)	(3,400,000)
Appropriation of Restricted Surplus	-
<b>Surplus(Deficit)</b>	<b>(3,400,000)</b>

2023/24 Budget Bylaw (Budgeted Expenses Only)	
Operating Expense	168,195,500
Special Purpose Expense	21,442,800
Amortization of Capital Asset Expense	10,950,000
<b>Total Bylaw</b>	<b>200,588,300</b>

\*Note that the budgeted deficit showing is strictly related to the Capital Fund and is permitted by ministerial order for the amount that amortization of tangible capital asset expenses exceeds the amortization of deferred capital revenue.



## Areas of Identified Risk

*Local Capital (District Capacity)* – While the Ministry of Education and Child Care provides Capital funding for items identified in and selected from our 5 year Capital Plans pursuant to available resources, as well as the Annual Facilities Grant (AFG), they do not provide financial resources for additional classroom space that may be necessary per enrolment growth, per compliance with Class Size and Composition language (LOU 17), capital expenditures not authorized under the AFG, nor do they fund district priorities such as infrastructure upgrades, vehicles, equipment, or asset replacements and additions as well as other such costs. Accordingly, districts must ensure they have resources set aside to support multi-year planned/estimated expenditures of a capital nature, not anticipated to be funded by the Ministry. For 2023/24 staff have prepared a three-year Local Capital schedule, tied to Board Goals, the Long-Range Facilities Plan, or to the Operational Plan, which identifies upcoming projects or costs per year, as well as the amount of operating funds, or accumulated operating surplus that would be necessary to support the Plan. Also, important to note, the Ministry of Education and Child Care could direct the district to cost share on an upcoming Capital project which would be taken from Local Capital reserves, impacting our ability to deliver on the multi-year Local Capital Plan thus identified projects must be defensible and necessary to ongoing or increased operations.

*International Student Program* - For preliminary budgeting we are generally quite conservative with ISE enrolment estimates as international travel comes with risk and uncertainty, however being overly conservative has an impact on initial staffing levels. In 2022/23 our International Program had record high student participation and we anticipate the same levels for 2023/24 so we've budgeted status-quo enrolment, revenues, and expenses in an effort to maintain staffing and program support levels. However, we have recently been advised that there is global uncertainty with international student programs and that agents are seeing a "softening of interest" over last year. This rising trend has us somewhat concerned that we may not hit our targets, but we are still optimistic that interest in our program will continue. A further complication just arising is the Public Service Alliance of Canada (PSAC) strike which will affect the Immigration, Refugees and Citizenship Canada (IRCC) department of the Federal Government, potentially slowing student applications. Pending student interest in our program and application issues, we may miss revenue targets which would require the use of accumulated surplus to maintain program staffing and supports; district staff will be monitoring both situations closely.

*Technology* - In order to ensure the preliminary Operating Grant, based on our estimated student enrolment, is directed to ongoing educational programming and business operations we do not have a planned transfer of funds from the Operating to Local Capital Fund in the 2023/24 Annual Budget to support additional or refreshed technology. Instead, as we anticipate a 2022/23 year-end surplus which will increase or at least maintain our accumulated operating surplus position, staff will recommend a transfer to Local Capital that supports the coming years technology plan in September, when the Board is presented with year-end financial results.

*Exempt Compensation Review* – Historically exempt compensation costs are borne by each district which means funds must be budgeted from the overall Operating Budget. However, with the substantial wage increases bargained by both the NDTA and CUPE, wage increases for exempt staff are anticipated to be approved by BCPSEA/PSEC in a similar amount. As the cost impact to districts for these lifts will be substantial, the Ministry of Education and Child Care has confirmed they will be funded in 2023/24. Not yet clear is the amount of funding that will be provided, and whether it will cover the districts cost of benefits. As a result, a small amount has been budgeted to address this uncertainty.



**Replacement Costs** – Replacement costs during and following the global pandemic were significantly higher than prior years, further, the Employment Standards Sick Leave enhancements has an additional cost impact. Additional resources were added to the 22/23 Annual Budget to account for the ESA Sick Leave provisions and current forecasts to year-end indicate this increase will be required going forward so the increased budget amount has now been rolled into the ongoing replacement cost budget. Pending the 22/23 year-end position, further adjustments may be required.

**School Opening Costs** – With the district’s short- and longer-term enrolment projected to grow significantly we anticipate a school opening in the near future, specifically Rutherford Elementary, located in North Nanaimo. The reopening will have initial operating costs not covered by our annual Operating Grant for school based and educational resources. Accumulated Operating Surplus would be required to cover these additional one-time expenses, in advance of student enrolment growth generating the revenue to support ongoing school based operating costs.

## Accumulated Operating Surplus Position

Situations may arise that require emergent or contingent funds for unexpected increases in expenses and/or decreases in anticipated revenues. In such cases, the Board needs to have access to enough funds to continue to provide educational services and maintain regular operations without implementing one-time service cuts.

Surplus reserves may be appropriated in order to mitigate situations such as the following:

- Unanticipated revenue losses
- Unexpected staffing and/or replacement costs
- Student enrolment fluctuations
- The impact of emerging events such as a pandemic or natural disaster

The following reflects the districts current accumulated operating surplus position as per the 2021/22 Financial Statements, adjusted to account for the items that were restricted for use in the 2022/23 budget which are therefore expended.

<b>2021/22 Accumulated Operating Surplus (AOS) Position</b>	
Restricted Surplus	3,575,232
Unrestricted Surplus	2,744,479
<b>Total Available Accumulated Operating Surplus</b>	<b>6,319,711</b>

Important to be aware that within the Restricted Surplus balance, the amount of \$2,575,232 represents the districts Benefit Premium Balance on account with our third-party provider. Although this asset belongs to the Board of Education, the value of the asset varies pursuant to employee benefit usage and market value for the cost of benefits, which are both subject to ongoing change. Accordingly, it is recommended that this Surplus item is only be considered for use if the district was in an extremely emergent situation.

*Policy 2.16 Accumulated Operating Surplus (Reserves)*  
*AP524 – Accumulated Operating Surplus (Reserves)*

