



# 2020/21 Annual Budget

*Assumptions and COVID-19 Risk Mitigation Plan*

**June 2020**



Nanaimo Ladysmith Public Schools  
395 Wakesiah Ave  
Nanaimo, BC  
V9R 3K6  
250-754-5521  
[www.sd68.ca](http://www.sd68.ca)



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## **Executive Summary**

Nanaimo Ladysmith Public Schools has created its 2020-21 Annual Budget using the same approach as in prior years. This includes guiding principles, criteria and budget assumptions, which are determined by extensive audits of revenue and expenses, for each budget cycle.

In response to COVID-19, we have assessed the impacts on the system as a whole and endeavored to ensure our budget addresses all areas of risk accordingly.

We are supporting our ISE program by planning for limited enrollment but at the same time, maintaining many of the support structures of the program to ensure that when COVID19 is over our ISE program will be strong. It will still provide our students with new international perspectives and the Board with operating dollars. We are planning conservatively. While we are hopeful that we will see increased enrollment beyond projections, our estimates are on the low end.

We have also created a \$200,000 COVID19 response fund to support COVID19 related expense including cleaning supplies, increased custodial, technology or other supports that may arise in the next school year. We feel that we are balancing a prudent approach with our goal of spending today's dollars for today's children.

Finally, we anticipate savings in the current year ending June 2020. These savings are not seen in the annual budget, as they will not be known until July. We feel, however, that at that time we will be able to address any expenses that have not already been accounted for.

## **Budget Development**

Budget development is guided by the Districts current strategic plan, which 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 Centred 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.

## **Guiding Principles**

Guiding principles communicate to staff and the school community how you expect the organization to behave around a particular matter or process. They guide day-to-day decisions and behavior.

- 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
- Provide an opportunity for staff to report out on their budgets
- Provide for communication and consultation with partners/stakeholders
- New initiatives are sustainable for at least three years
- Ongoing costs should not be greater than ongoing revenues
- District contingency reserve is established and maintained in accordance with Board Policy
- Initiatives not within the K-12 mandate are at least cost neutral
- One time revenues and surpluses shall only be used to cover one-time costs
- Encourage efficiencies, sustainability and best practices

## **Budget Criteria**

Setting decision criteria is best practice when making organizational decisions. Decision criteria in a business setting are those variables or characteristics that are important to the organization making the decision. They should help evaluate the alternatives from which you are choosing. Decision analysis often involves weighting criteria but in this context, staff are recommending setting priority order for criteria. When faced with a budget decision, the priority order should be considered in respect of where funding should be directed first and so on.

The criteria statements prioritized for the 2020-2021 Annual Budget are:

- Maximize success/completion rates for our most vulnerable students
- Optimize our schools and facilities as safe, healthy and inclusive learning spaces and work places
- 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
- Provide adequate and sustainable budgets for facilities and technology to sustain necessary infrastructure and space needs
- Maximize support for student learning in literacy and numeracy
- Support employee wellness throughout the school system
- Maximize opportunities for student participation in co-curricular programs
- Optimize support for student transitions into our schools, within our schools, and from our schools
- Optimize our capacity for system-wide leadership support and succession
- Optimize the use of technology as a tool to support student learning
- Reduce the impact of our operations on the environment through energy and water efficiencies, greenhouse gas emissions and student learning.

## **Budget Assumptions**

Preparation for the annual budget begins by utilizing the prior year's amended budget as the initial starting point, then, adjustments are made to bring it to a "base budget" by removing one-time revenue and expenditures. Further assumptions and adjustments include those to support contractual and statutory requirements, alignment with forecasted enrolment and confirmed operating grant revenues as well as other revenue and expenditures changes if deemed necessary. In addition, a review of all budget categories is performed to ensure 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.

Budget assumptions are based on audit that include, but are not limited to the following:

- Student enrolment
- Operating Grant
- Other revenue sources
- International student enrollment and tuition
- Annual Facilities Grant
- Capital funding
- Removal of prior year's restricted surplus
- Removal of prior year's deferred revenue
- Adjust for salary increases per Collective Agreements, employment contracts or Ministry direction
- Replacement costs
- Benefit costs
- Technology (IT) plan
- Contractual obligations such as professional development, release time, etc.
- Special Purpose Fund reorganizations to align with revised annual plans
- Departmental expenditure reorganization per determined needs
- District initiatives/strategies to align with Board goals and objectives
- Potential expenditure adjustments (+/-) for utilities, supplies, equipment, software, insurance, legal fees, professional development, etc.
- Annual software license fees
- Rentals, leases and community use of facilities
- Cost adjustments for items such as Maternity/ Paternity pay, premiums and allowances
- Actuarial expense
- Adjustments for the NGN contribution, EFB liability, job evaluations and potential grievance/arbitration settlements, etc.

## COVID-19 Risk Mitigation Plan

Student Enrolment – Our 2020/21 projected enrolment was very conservative for a variety of reasons so we did not feel it necessary to reduce further in response to COVID.

International Student Program – Student enrolment has been reduced from 263 students to 67, as these are the students known to be within province thus able to attend in September. The associated revenue and direct expenses, such as staffing and program supports for recruitment were reduced accordingly; however, we have left the core program intact so we can resume full operations when we are able to. To offset the loss of tuition revenue we have appropriated one of our restricted surplus reserves, the staffing and unusual expense reserve, in the amount of 1.12 million.

Investment income – Due to the current interest rates we have reduced anticipated revenue to align with current returns.

COVID Response Fund - In order to respond to emergent needs in September we have added a COVID Response Fund, in the amount of \$200,000, that is targeted to address the potential increase in expenses such as cleaning supplies and custodial services.

Technology – Due to a large influx of technology purchased in 2019/20 to support the shift to online learning and remote working conditions, we believe the impact to 2020/21 will be minimal. However, we have a contingency to deal with emergent needs that may be required in fiscal 2021, which is included in our technology plan.

Rentals and Leases – We did not reduce our anticipated revenue in the category at this time.

In addition to the mitigation strategies outlined above, we also have a contingency reserve able to address any unforeseen expenses or revenue shortfalls that may be applicable in the fall due to a second wave of the pandemic, or a continued shift from regular operations.