



**NANAIMO
LADYSMITH**
PUBLIC
SCHOOLS

OVERVIEW OF SCHOOL DISTRICT FUNDING AND BUDGET PREPARATION

2018/2019

School District No. 68 (Nanaimo-Ladysmith)
Nanaimo Ladysmith Public Schools
395 Wakesiah Avenue
Nanaimo, BC V9R 3K6
www.sd68.bc.ca



The purpose of this document is to provide an overview of School District's funding and how it is reflected in the Annual and Amended Budgets.

The majority of a School District's funding comes from the Ministry of Education by way of the Annual Operating Grant, Capital Funding, the Annual Facilities Grant and other Special Purpose Funds. Additional funding flows to the District from International Student Education Tuition, Federal French Funding, Rentals and Lease revenue, and other miscellaneous grants and donations.

The Ministry of Education requires all Schools Districts to submit their budgets in the same format, presenting them in three distinct funding categories: Operating Fund, Special Purpose Funds and Capital Funds.




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2018

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OVERVIEW OF SCHOOL DISTRICT 68



Nanaimo Ladysmith Public Schools
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of the Snuneymuxw, Snaw-Naw-As and
Stz'uminus First Nations.

Nanaimo Ladysmith Public Schools 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, the District is a proud community partner with the Tillicum Lelum Aboriginal Friendship Centre and the Mid Island Métis Nation.

The District boasts approximately 14,000 students and offers a full range of programs from Kindergarten to Grade 12 with additional programs for pre-school and adult learners. There are: 27 elementary schools; eight secondary schools (including Learning Alternatives and Career Technical Centre); one distributed learning school – Island ConnectEd (K-12); and approximately 2,000 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 126,047 (2016 Census). The District's annual consolidated budget is \$157 million.



OPERATING FUND

K-12 Funding and Allocation

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 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 the School District. In addition, the province provides capital costs and funding for special programs through supplemental government funds.

The funding allocation system provides financial resources for the operation of the K-12 system by using data collected from schools and districts and applying formulae to ensure equity across British Columbia.

Funding Allocation System (FAS)

The Sector Resourcing & Service Delivery Branch is responsible for developing and maintaining an equitable funding formula for the public Kindergarten to Grade 12 education system.

It develops financial management policies and standards that support the allocation of more than \$5.6 billion annually to public school boards.

The branch works closely with all education stakeholders to examine funding issues, ensuring that education funding is allocated on a fair and equitable basis. It develops and maintains various funding formulas to achieve government's education financing goals.

It is also responsible for the work required to calculate and meet the demands of the ongoing and emerging needs of educator and support staff identified through collective bargaining.

At this time, a funding model review is currently underway to ensure British Columbia's K-12 public education system receives stable and predictable funding. The new funding model is anticipated to be in place for the 2019/20 school year.

OPERATING GRANT

The Funding Allocation System allocates the General Operating Grants using individual district enrolments and specific factors that apply to each school district. Annual Operating Grants are calculated based on projected enrolment data provided by school districts in February of each year. Grants are then updated based on actual enrolment and other data collected from school districts throughout the school year. The simplified funding formula comprises a student base allocation plus supplementary grants of which there are 6 broad categories.

The **September** enrolment count provides basic Enrolment-Based Funding for:

- ▶ Standard Schools enrolment
- ▶ Continuing Education
- ▶ Distributed Learning
- ▶ Alternate Schools
- ▶ Home Schooling
- ▶ Course Challenges

Additional supplemental grants provide funding for:

- ▶ Unique student needs, including special needs, English Language Learning, Aboriginal Education, and Adult Education programs
- ▶ Enrolment Decline, where enrolments decrease by more than one per cent in a year
- ▶ Salary Differentials, for districts with higher average teacher salaries
- ▶ Unique Geographic Factors (climate, remoteness, sparseness, low enrolment)
- ▶ Education Plan
- ▶ Funding Protection (where applicable)

The **February** enrolment count provides basic Enrolment-Based Funding for:

- ▶ Continuing Education
- ▶ Distributed Learning
- ▶ Special Needs Enrolment Growth
- ▶ Newcomer Refugees

The **May** enrolment count provides basic Enrolment-Based Funding for:

- ▶ Continuing Education
- ▶ Distributed Learning

** More detailed information on Ministry Funding and other supplemental grants provided to Districts, can be found on the Ministry website at,*

<https://www2.gov.bc.ca/assets/gov/education/administration/resource-management/k12funding/18-19/18-19-operating-grants-manual.pdf>



Basic Funding Allocations

- ▶ For each eligible school-age full-time equivalent (FTE) student enrolled in Standard (Regular), Continuing Education and Alternate schools and reported in the September enrolment count, 2018/19 - **\$7,423**
- ▶ For each eligible school-age full-time equivalent (FTE) student enrolled in Distributed Learning schools and reported in the September enrolment count, 2018/19 - **\$6,100**

Home School Students

For each registered home school student (headcount) reported in the September enrolment count - **\$250**

Course Challenges

For each eligible course challenge from the previous school year - **1/32 of the Basic Allocation for enrolment in Standard schools**



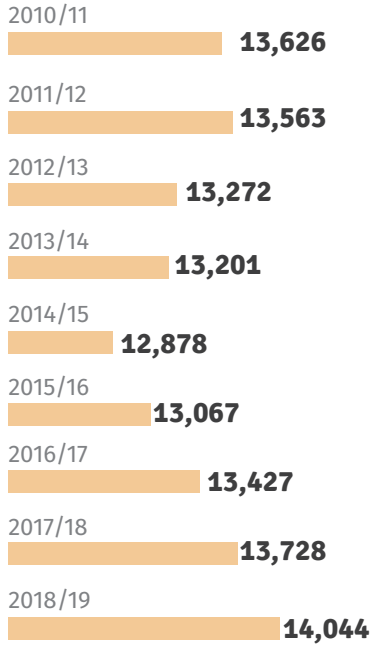
Additional Allocations for Unique Student Needs

Category	2018/19 per student
SPECIAL NEEDS STUDENTS	
For each Level 1 headcount student	\$38,800
For each Level 2 headcount student	\$19,400
For each Level 3 headcount student	\$9,800
OTHER UNIQUE STUDENT NEEDS	
For each English/French Language Learning (ELL/FLL) headcount student	\$1,420
For each Aboriginal Education headcount student (Targeted)	\$1,230
For each non-graduated Adult Education FTE student (September only)	\$4,696

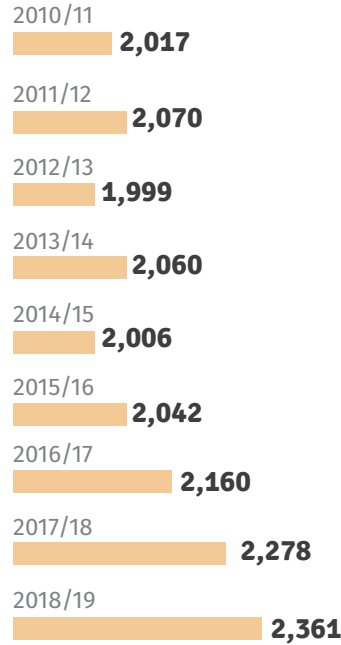
* Funding received for Aboriginal ancestry students is targeted for the Aboriginal Program only. Any unspent amounts may be transferred to the next fiscal year upon approval by the Ministry of Education.

Historical View of NLPS Funded School District Student Enrolment (2010-2019)

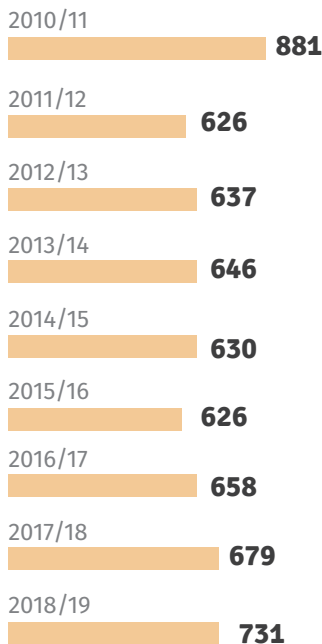
BASIC FUNDED FTE ENROLMENT



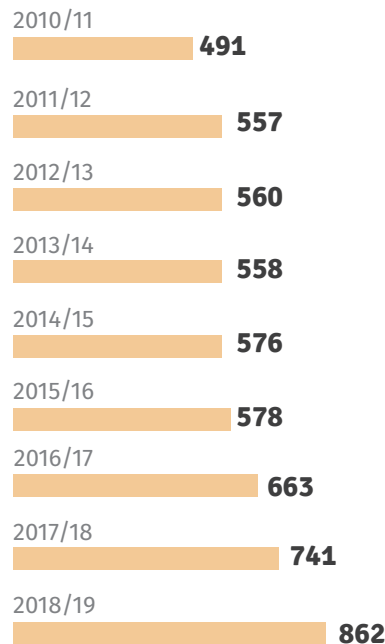
ABORIGINAL EDUCATION HEADCOUNT



FUNDED SPECIAL NEEDS HEADCOUNT



ENGLISH LANGUAGE LEARNING HEADCOUNT



CAPITAL FUND

Funding for public school buildings and structural improvements is shared between the provincial government and boards of education. The Ministry of Education resolves to allocate resources fairly and in a cost-effective way.

Boards of education submit capital plans that include details on school building priorities in their school districts. The provincial government establishes an overall capital budget for schools based on the ministry's capital allocation. Each capital request is analyzed according to specific criteria and available resources are allocated to the highest-priority projects in the province.

Capital funding from the provincial government covers, where approved, most of the capital costs for site acquisition, new school construction and school additions or renovations as well as various capital programs for expansions, seismic mitigation, risk management services, bus purchases and maintenance to extend the useful life of school buildings around the province.

Nanaimo Ladysmith Public Schools has four approved Capital Projects for 2018/19 with total funding of \$1.85 million

Detailed information on Capital Management Programs can be found on the Ministry website at <https://www2.gov.bc.ca/gov/content/education-training/administration/capital/programs>

Local Capital

Local capital is mainly funded from the District's portion of the sale of surplus properties and through transfers from the Operating Fund. Transfers from the Operating Fund are routinely budgeted to cover capital equipment costs such as the annual Technology Plan and the Vehicle Replacement program. Other capital expenditures may require further transfers from the Operating Fund during the year.

The District has also endeavored to build a surplus in this fund with the proceeds from property sales and other revenues. This surplus can be used in subsequent years to fund larger capital projects such as cost sharing in the Frank J Ney Expansion Project, the NDSS Artificial Turf Field in conjunction with the City of Nanaimo and currently the Hammond Bay Gym Expansion. Future projects that may require Local Capital funding will be identified in the District's new Long Range Facilities Plan, which will commence in 2018/2019. Inclining Enrollment and the Teacher Restored Language have demanded unprecedented requirements for local capital expenditures to ensure adequate classroom space. The School District must identify future needs for school sites and significant capital projects.

SPECIAL PURPOSE FUNDS

Funds provided by a third party that are targeted or restricted for a designated purpose, function or activity.

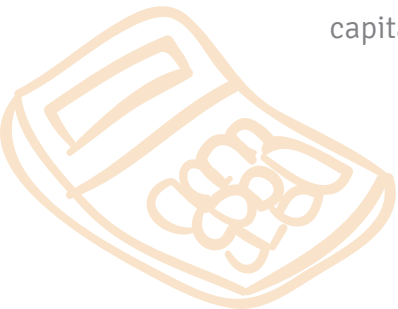
Proceeds remaining at the end of the purpose/activity are returned back to the funding party or, in the case of a Ministry program, are deferred to the next fiscal year for the same purpose.

The District's most significant Special Purpose Funds include:

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 using a formula based on student enrolment and the average age of facilities, with an adjustment made for unique geographic factors. Nanaimo Ladysmith Public School's 2018/19 Annual Facilities Grant is \$2.7 million.

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.



Community **LINK**

(**L**earning **I**ncludes **N**utrition and **K**nowledge) - Funding designed to support the academic achievement and social functioning of vulnerable students. Programs and services can include breakfast, lunch and snack programs, academic supports, counselling, 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.

Nanaimo Ladysmith Public School's 2018/19 community LINK funding allocation is \$2.2 million and the majority of it is allocated



Child Youth and Family Support Workers



Community School Coordinator



School Food Program Planner



Mental Health and Addictions Specialist



Youth Outreach Worker

A+

LIF (Learning Improvement Fund) - 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. Nanaimo Ladysmith Public School's 2018/19 funding allocation is \$484,588 and it provides the District with additional Education Assistant FTE.

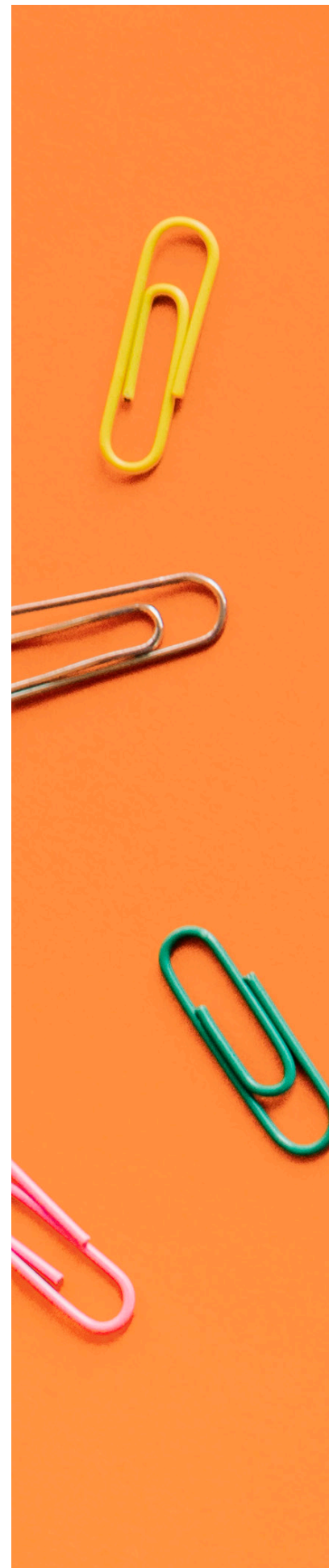
CEF (Classroom Enhancement Fund) - This Fund was set up by the Ministry of Education in August 2017 as a result of the recent Supreme Court decision to assist school districts in implementing restored class size and composition limits. The fund originally provided for Capital needs relating to additional classrooms and supplies, overhead funding for the additional supports required for implementation, as well as the teachers necessary to staff the additional classrooms required by the restored language. Nanaimo Ladysmith Public School's allocation for 2018/19 is \$9.5 million for teaching staff and \$1.5 million for overhead costs. Capital funding is no longer being provided by Ministry.

Teaching Staff – 99.6 FTE

Support Staff – 7 FTE (funded from overhead)

Other Professionals – 2.8 FTE (funded from overhead)

School-Generated Funds - School-generated funds are funds that are raised and collected in the school or broader community in the name of the school by school committees or other school groups. These funds are administered by the school principal, and are raised or collected from sources other than the school board's operating and capital budgets. School generated funds is a broad category which includes not only fundraising for school purposes, but also all funds that are collected and paid out through school accounts to support a variety of programs such as payments to charities or other third parties (e.g. field trips and hot lunch programs). Ministry requires that School Districts project and budget for the amount of School-generated funds that will be collected, for restricted purposes, during the year. For 2018/19 this amount has been budgeted at \$2.6 million.



DISTRICT BUDGET

The Board of Education is responsible for preparing an Annual and an Annual Amended budget in the form and containing the content specified by the Ministry of Education. This financial plan funds the District's strategic goals, objectives and priorities in providing the best possible education to students as well as ensuring the most efficient, accountable and transparent use of Public Funds. The current form for approving the budget is by way of Board approval and Bylaw.

Designated staff are responsible for preparing and submitting the District's Annual Budget, on or before June 30th for the upcoming school year, as well as an Annual Amended Budget that must include all known changes from the original, by February 28th of the same school year. Both Budgets are to be presented to the Board of Education with all relevant, timely and supportive documentation, in order to provide a clear and concise picture of the District's financial plan, enabling the Board to govern in a fiscally responsible manner.

Budget development is guided by the Districts current strategic plan, specifically, the key areas of focus in support of student learning as well as its overall goals and objectives.

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

- ▶ Meeting each student's unique needs
- ▶ Continuous improvement of instruction and assessment
- ▶ Reconciliation
- ▶ Organizational effectiveness and accountability to support student learning

Additional areas of focus include student success, maintaining financial stability and continuity by reviewing, preparing and prioritizing three year budget planning and increased collaboration and engagement.

BUDGET DEVELOPMENT AND MONITORING

The Annual Budget process begins in early January, for the next school year, and includes the following

- ✔ Estimated student enrolment for funding purposes
 - ✔ Identification of potential revenue and expenses, budget assumptions, planned changes from prior year, key risks, economic environment, asset management, capital planning, etc.
 - ✔ Review the District's Strategic plan, goals and objectives to define priorities for potential resource allocations
 - ✔ Setting budget criteria and guiding principles, flowing from the Strategic direction
 - ✔ Review data and analytics for trends, demographics (student and employee), and analyzing various relevant data from other like size school districts for comparisons
 - ✔ Review previous budget priorities
 - ✔ Assess external environmental risks and opportunities such as changes in the funding formula, collective bargaining, elections, accounting rules, tax changes, etc.
 - ✔ Receive departmental budget submissions outlining priorities, goals, objectives
- with data to support their needs and initiatives
- ✔ Meet with key Stakeholders and Partner groups
 - ✔ Establish and present a draft Annual Budget to the Board of Education with supporting rationale for discussion, review and analysis
 - ✔ Finalize the District's Annual Budget for Board adoption and Ministry submission, by June 30th
 - ✔ Continuously control the Annual Budget through clearly defined managerial responsibility, monitoring performance against budgets and report any significant departures from the original budget to the Board
 - ✔ Track and record any adjustments to the Annual Budget as they occur
 - ✔ Provide the Board of Education with periodic Budget updates inclusive of comparisons to the original budget and forecasts to year-end
 - ✔ Prepare the District's Annual Amended Budget in January, including all changes to date
 - ✔ Present the Annual Amended Budget to the Board of Education with supporting rationale for discussion, review and analysis
 - ✔ Finalize the District's Annual Amended Budget for Board adoption and Ministry submission by Feb 28th



BUDGET PREPARATION

The School District Annual Budget is prepared by taking the current year's Annual Amended Budget, removing any one-time revenues and expenditures, making adjustments for new District initiatives and inserting anticipated or required changes. Preparation will include, but is not limited to, updates or adjustments to the following:

- ✔ District Student enrolment
- ✔ International Student enrolment/tuition
- ✔ Ministry Operating Funding
- ✔ Ministry Grants/other funding
- ✔ Provincial/Federal Grants
- ✔ Current year's Annual Facilities Grant/Plan
- ✔ Capital and Local Capital Funding, Projects, and projected expenditures
- ✔ Removal of prior year's restricted surplus
- ✔ Removal of prior year's deferred revenue
- ✔ Removal of prior year's one time budget strategies (FTE or Expenditures)
- ✔ Anticipated/required salary increases per Collective Agreements, Employment Contracts or Ministry direction
- ✔ Average Teacher Salary Cost/Average TTOC Cost adjustments if substantiated by cost analysis
- ✔ Benefit rate adjustments if applicable
- ✔ Contractual obligations such as Pro-D Funds, Release time, etc.
- ✔ Special Purpose Fund reorganizations, annual plans
- ✔ Departmental expenditure reorganization per defined 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/contracts
- ✔ Rentals and Leases
- ✔ Adjustment of Premium and Allowance costs for items such as Maternity/Paternity Pay, Department Head Allowances, Shift and First Aid premiums
- ✔ Actuarial Expense
- ✔ Adjustments for projected (or confirmed) costs for items such as the Next Generation Network contribution, Employee Future Benefits Liability, Job Evaluations and potential Grievance/Arbitration Settlements, etc.

Notes



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