



Burnaby School District Preliminary Budget Report 2022/2023

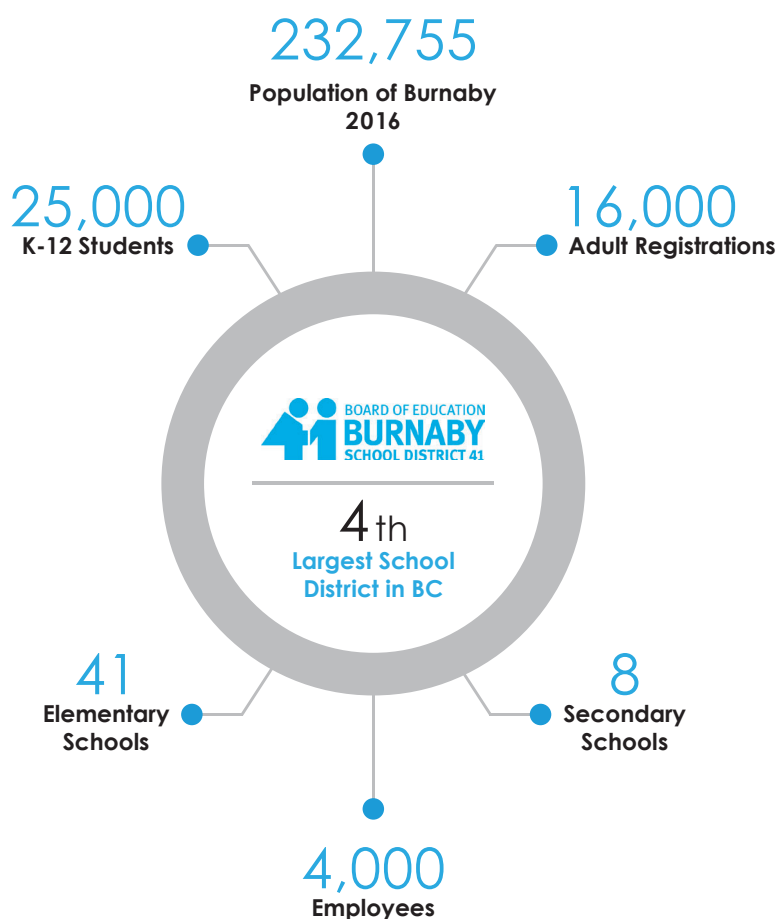
Introduction

In the Spring of 2022, as the Burnaby School District looks to the budget process, the effects of the pandemic are continuing to impact the overall financial health of the district. As the District looks toward the path to recovery from COVID, it will be guided by its vision, mission and core values as defined in its strategic plan while adapting to meet the needs of learners in post-COVID times.

Who We Are

Formed in 1906, the District is on the traditional territory of the Coast Salish Nations of Musqueam, Tsleil-Waututh Squamish. Our District is now the fourth largest in BC, with 25,000 students (K-12) and 4000 dedicated employees. We operate 41 elementary schools and 8 secondary schools, including a range of district programs and Provincial Resource Programs. We also provide lifelong learning opportunities with more than 16,000 course registrations through our established Burnaby Community & Continuing Education program.

The District's work is governed by seven elected Trustees, whose four-year term began in 2018.



Budget Timeline

The District's timeline for the budget takes place in the month of April, which includes consultation with school and district staff, partner groups and the public. After careful consideration of the feedback received, the process concludes when the Board approves the budget at the end of the month at it's regular Board meeting.

2022-2023 Budget Calendar		
Date	Topic	Audience
April 5, 2022	2022/2023 Annual Budget - Update and Input	Burnaby Leadership Team
April 11, 2022	2022/2023 Annual Budget - Update and Input	Committee of the Whole - Private
April 12, 2022	2022/2023 Annual Budget - Update and Input	Burnaby Leadership Team Partner Groups Public with PAC representatives
April 19, 2022	2022/2023 Annual Budget - Feedback on Budget	Partner Groups
April 19, 2022	2022/2023 Annual Budget and Budget Proposals	DPAC
April 20, 2022	Review all input and finalize 2022/2023 Annual Budget	Finance Committee
April 26, 2022	2022/2023 Annual Budget presented for Board approval	Board Meeting

Our Vision, Mission and Values



Our Vision

A premier learning community where we engage and innovate to inspire global citizenship.



Our Mission

To engage and empower a caring, inclusive community of learners for the opportunities of today and tomorrow.



Our Values

Together these ways of thinking and acting help form the culture of our schools and workplaces. By upholding these values, we can build an environment that will lead to the fulfilment of our mission and vision.

Students Come First

Learners are at the centre of what we do. We focus on their lives within our schools, support them in their lives away from our schools, and keep in mind the lives they will lead in the future, recognizing that their time with us will be key in shaping their futures.

The Power of Diversity

Burnaby is one of the most diverse cities in the world, and we recognize this as a privilege and a strength.

We meaningfully involve all learners and respect and value the infinitely variable characteristics that make them unique human beings.

Equity, Access, Inclusion

Our schools are for everyone. We recognize that barriers exist and seek to identify and remove them. We encourage our learners to speak honestly, and we uphold the rights of individuals, families and organizations within our schools and our community. We value and respect everyone's contributions.

Collaboration and Partnership

We strive for trusting, respectful, collaborative relationships, and we work together to ensure we make the best decisions. The learning environment includes our learners, teachers, all staff, families and the community. We work with and encourage the participation of all.

Curiosity, Innovation, Discovery

The world we live in is complex and rapidly changing. We, our students, and the world itself are beneficiaries when questions are asked, experiments undertaken, ventures launched, and challenges embraced. Our classrooms and school communities foster curiosity, innovation, and discovery.

Excellence, Success, Improvement

We challenge ourselves and our learners to make their highest contributions, and we foster opportunities to make this possible. We celebrate success and recognize that there are many ways to define and achieve it. Working collaboratively, we challenge ourselves and our learners to improve, as individuals and as a group. Along with these ideals, we place an equal emphasis on health and well-being, as it is required to support all of our contributions and achievements.

2022/23 Status Quo Budget

The development of the 2022/23 Status Quo Budget required the District to make several assumptions related to the provincial budget, local factors and factors that continue to be affected by COVID-19 Pandemic. The following strategic risks are highlighted to the Board in order to provide additional context.

Strategic Risks

1. Immigration laws change that lead to a decrease in enrolment from international students.
2. Impact of COVID-19 to overall community (especially vulnerable learners) and potential increased requirements in areas such as mental health and wellness supports, technology, program supports and food security.
3. Status of public health and the global pandemic September 1, 2022 to support a "normal" school opening.
4. Geo-Political issues that could impact the economy, cause supply chain disruptions and increase immigration to Canada.

Budget Assumptions

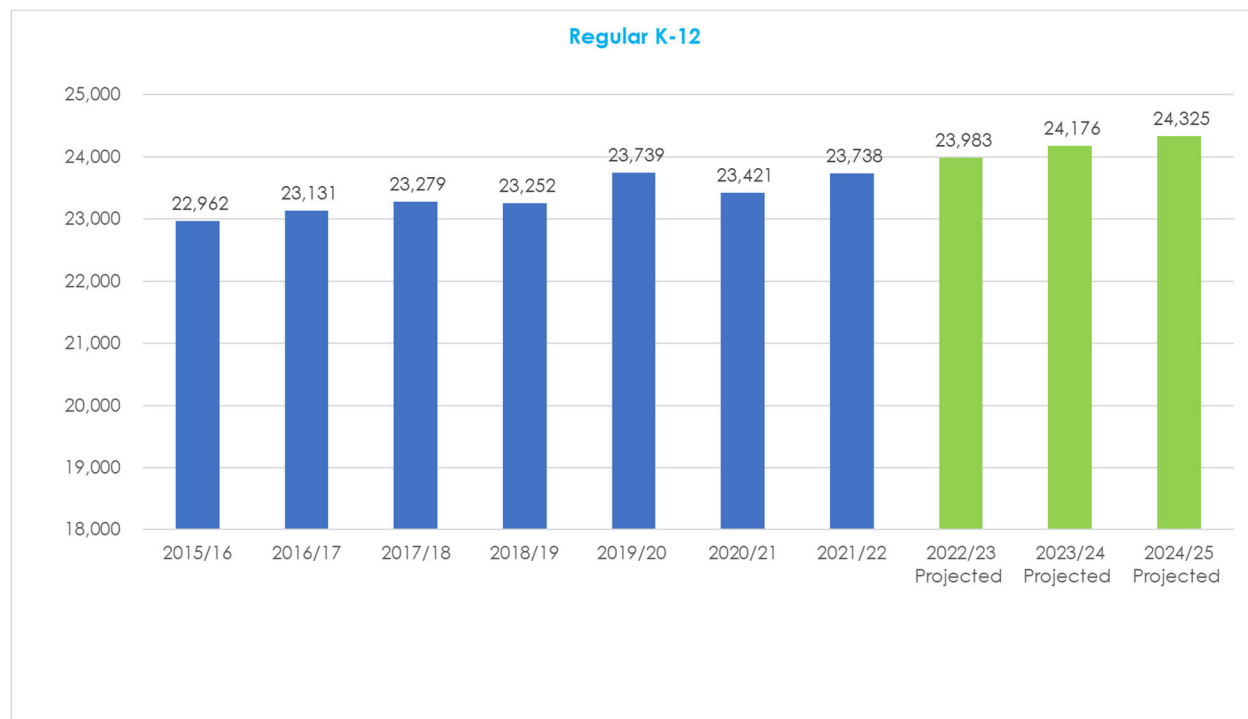
Provincial and Local Assumptions:
Provincial government will fund total provincial enrolment including any growth
Funding allocation model will not change for 2022/23 school year
Moderate enrolment growth for 2022/23
Does not include wage settlements for Burnaby Teachers Association (BTA) and CUPE yet to be finalized. Any negotiated settlements will be funded
Includes teacher salary increments and salary grid increases for Exempt/Principals and Vice-Principals
General inflation applies to utility costs only and other services and supplies remain constant
Natural Gas rate and Carbon Tax increase resulting in projected higher costs 25%
Benefits Rate Changes - CPP 4.4%, EI 2.0%, WCB 2.0%, Teacher Pension 0.0%, Municipal Pension 0.0%, Extended Health 5.5%, Dental 5.7%
COVID-19 Related:
The current rates of Teachers Teaching on Call (TTOC) and Education Assistants (EAs) Casual will trend back to normal levels
No additional one-time grants relating to the pandemic, mental health or holdback funding to be provided
Community rentals will be fully running by January 2023
International enrolment projected to be status quo at 1,065 Full-Time Equivalent (FTE) students
Interest rates will increase (0.95% to 1.5%)

Enrolment

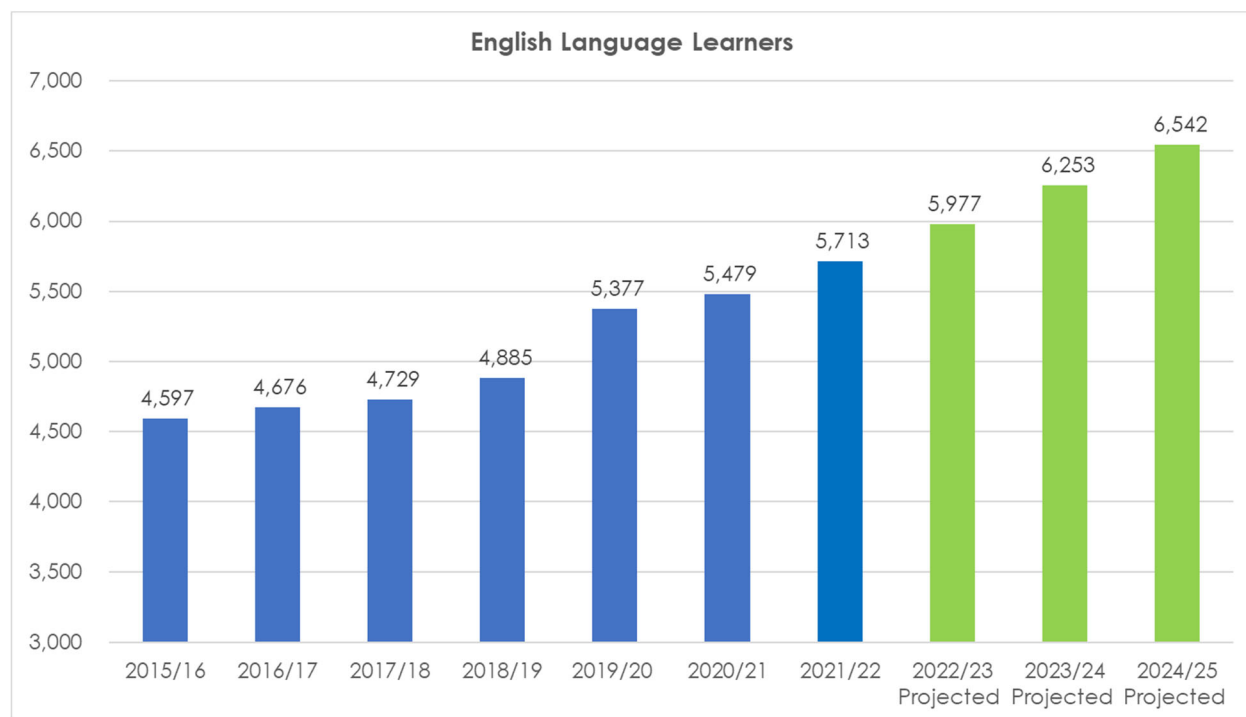
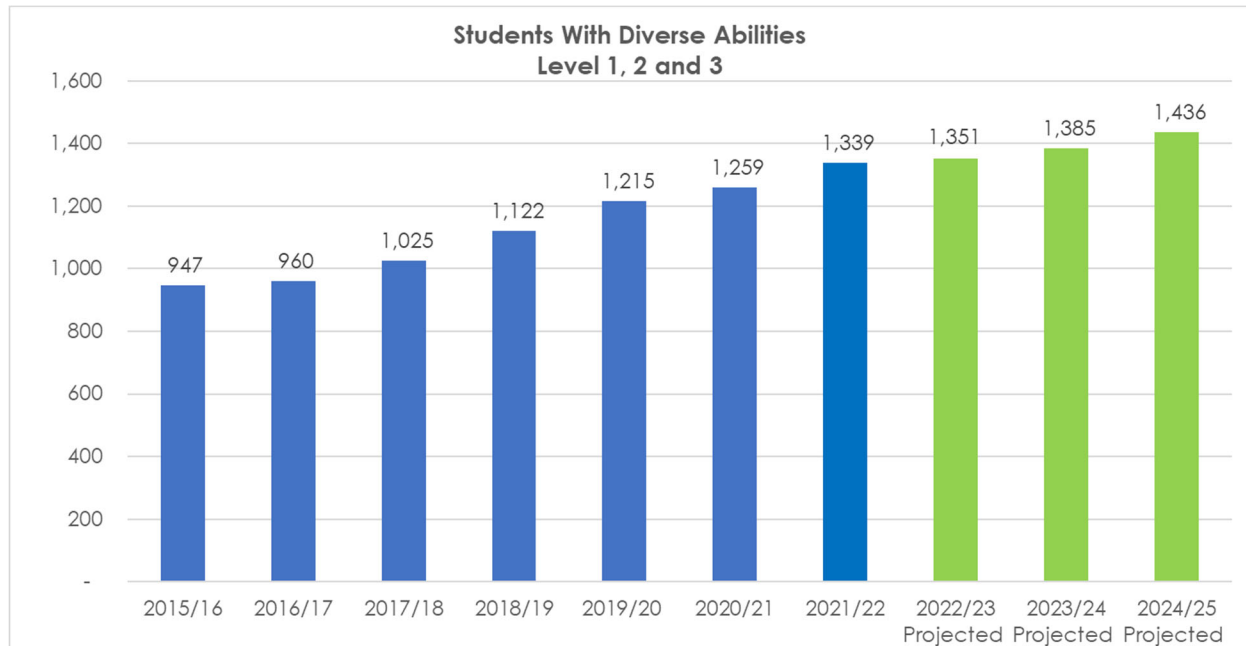
The Burnaby School District is funded primarily through an operating grant received from the Ministry of Education. The operating grant is based on student enrolment which is compiled through a data collection process in September, February, May and July. The District receives a fixed amount per full-time equivalent student (FTE). The School District also receives supplementary grants for students who are identified as having unique needs and for other demographic and unique geographical factors.

District staffing levels are driven directly by student enrolment. Since salaries and benefits make up approximately 90 percent of District expenses, reliable enrolment data is essential for financial planning. Each year the School District completes an analysis of historical enrolment and student retention trends, reviews population data and new municipal development approvals to develop an estimate of elementary and secondary student FTE for the ensuing three budget years.

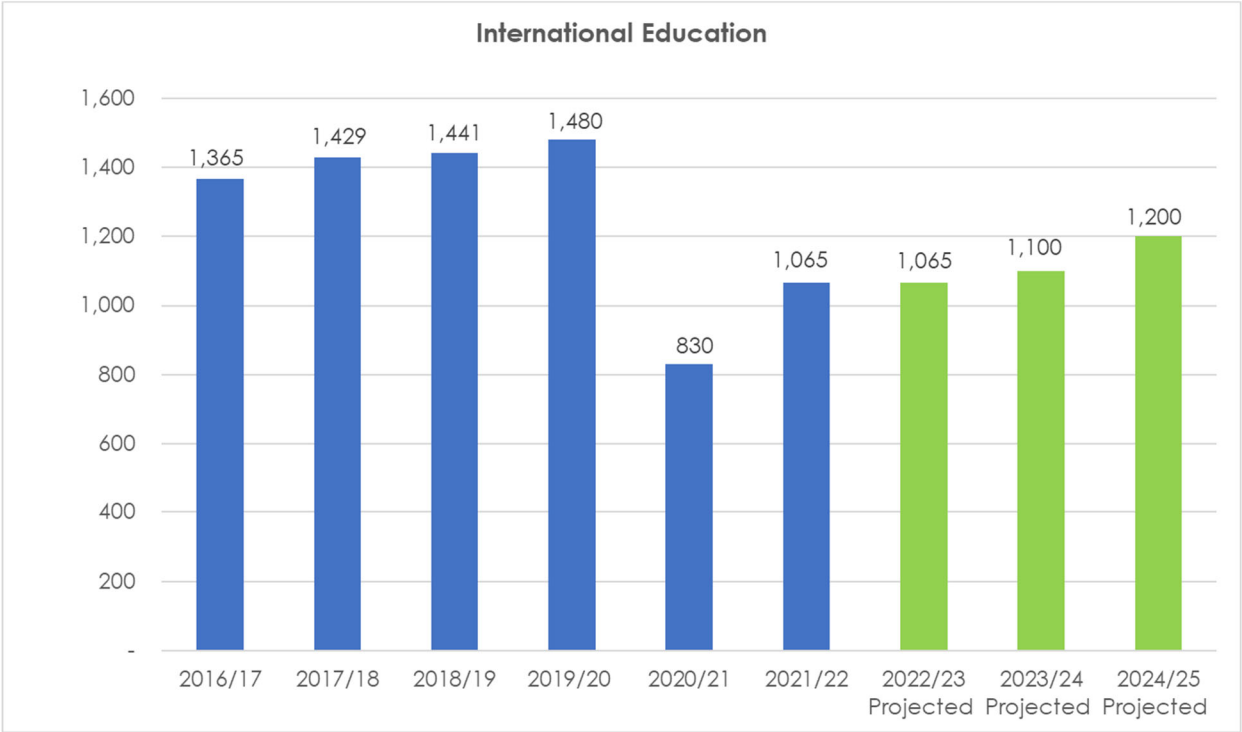
Prior to the COVID-19 pandemic, regular K-12 enrolment was stable year over year showing only moderate growth. Due to COVID-19 reducing both inter-provincial and international migration, the District experienced a significant enrolment decline in 2020/2021. In 2021/2022 the District saw an increase of 317 FTE regular school-age students and the following 3 Years are projecting moderate growth each year as pre-pandemic migration patterns return.



Over the past five years the School District has experienced significant growth in the number of students with Diverse Abilities and English Language learners (ELL). The trend is expected to continue through the 2024/2025 school year.



International education has seen significant historical enrolment growth. In 2019/2020 prior to the impact of COVID-19, enrolment was at 1,480 FTE students. As a result of the global travel restrictions put in place to combat COVID-19 and personal health related concerns, enrolment declined by 650 FTE or 44% in 2020/2021. The District is seeing a gradual recovery with enrolment up 235 FTE students in 2021/2022 and is expecting a slow recovery over the next three years. As travel restrictions are lifted and health concerns gradually subside over the next three years the District is anticipating enrolment to be at 1,200 FTE students by 2024/2025.



2022/23 Operating Grant Allocation Formula Overview

Public school districts in BC are primarily funded through an operating grant provided by the Ministry of Education. The formula for the grant is based on student counts across various areas and other district factors as outlined below.

Provincial Totals

76%
allocated through the Basic Allocation

Basic Allocation	
Common per student amount for every FTE student enrolled by school type	
Standard School: \$7,885 per school age FTE	Continuing Education: \$7,885 per school age FTE
Alternate School: \$7,885 per school age FTE	Distributed Learning: \$6,360 per school age FTE

16%
allocated to recognize unique student enrolment

Unique Student		
Additional per student funding to address uniqueness of district enrolment and support additional programming		
Level 1 Special Needs: \$44,850 per student	Level 2 Special Needs: \$21,280 per student	Level 3 Special Needs: \$10,750 per student
English/French Language Learning: \$1,585 per student	Indigenous Education: \$1,565 per student	Adult Education: \$5,030 per FTE
Equity of Opportunity: Mental health; youth in care		

8%
allocated to recognize unique district factors

Unique District				
Additional funding to address uniqueness of district factors				
Small Community: for small schools located a distance away from the next nearest school	Low Enrolment: for districts with low total enrolment	Rural Factor: located some distance from Vancouver and the nearest large regional population centre	Climate Factor: operate schools in colder/ warmer climates additional heating or cooling requirements	Sparseness Factor: operate schools that are spread over a wide geographic area
Student Location Factor: based on population density of school communities			Supplemental Student Location: Level 1 and 2 special needs enrolment	
Salary Differential: Funding to districts that have higher average educator salaries				

Revenues

The table below summarizes projected revenues in the 2022/23 status quo budget compared to the 2021/22 amended budget:

	21/22 Amended	22/23 Status Quo	Variance
Ministry of Education Grants	\$236,678,950	\$ 239,956,486	\$ 3,277,536
Other MOE Grants	2,509,632	2,509,632	-
International Education	18,541,270	18,541,270	-
Continuing Education	2,084,544	2,450,000	365,456
Investment Income	273,366	466,500	193,134
Rentals & Leases	484,544	726,816	242,272
Other Fees & Revenues	1,172,182	1,172,182	-
Total Grants & Revenue	\$261,744,488	\$ 265,822,886	\$ 4,078,398

Variance Analysis

The variance in Ministry of Education Grants is a result of enrolment growth projected for 2022/23. There was no change to the Ministry Operating Grant funding allocation system per student rates from 2021/22.

Projected Enrolment in International Education is projected to remain at the same level as in 2021/22 and then see modest growth in the following two years. There is some recovery of enrolment in Community and Continuing Education programs resulting in increased revenues. Investment income will increase as a full year of higher interest rates is realized. Rentals & Leases were heavily impacted by COVID-19 in the 2020/21 and 2021/22 year. As restrictions around use of space are removed, space rentals and leases are expected to increase, leading to higher revenue.

Expenses

The following tables summarize projected expenses in the 2022/23 status quo budget compared to the 2021/22 amended budget:

	2020/21 Amended	21/22 Status Quo	Variance
Salaries			
Teachers & TIOC	136,801,381	137,293,305	(491,924)
Educational Assistants	24,002,590	24,687,929	(685,339)
Support Staff	22,417,434	22,696,199	(278,765)
Principals & Vice Principals	10,737,659	11,038,627	(300,968)
Other Professionals	5,368,583	5,908,430	(539,847)
Total Salaries	199,327,647	201,624,490	(2,296,843)
Benefits	44,355,194	46,505,787	(2,150,593)
Total Salaries and Benefits	243,682,841	248,130,277	(4,447,436)
Services & Supplies	23,771,886	21,688,287	2,083,599
Local Capital	2,252,000	2,502,000	(250,000)
Total	269,706,727	272,320,564	(2,613,837)

Variance Analysis

Teachers & TIOC costs are rising because of teacher salary increment costs and an increase in the number of teachers related to enrolment growth offset by lower TIOC costs. Educational Assistants costs are also increasing driven by projected increased enrolment in Level 2 students and a change in composition of enrolment which required additional supports. Support staff increases are primarily due to expected filling of vacant positions. Principals, Vice Principals, and Other Professionals increases are due to reversal of savings from vacant positions in 2021/22 as well as salary grid increases. Benefits cost increase are due mainly to projected rate increases for statutory and health benefits as well as increases due to salary staffing costs. Services and Supplies costs are decreasing due to reversal of one-time costs funded through carry over budgets from the prior year. In addition, costs for recruitment fees for the International Education program are expected to be lower than originally projected. Local Capital is budgeted higher due to the reversal of a one-time budget reduction in 2021/22 to the vehicle replacement costs budget and the annual increase for Information Technology to support the Eight Year Technology Plan partially offset by projected higher investment income.

Operating Surplus

The table below shows the revenues, expenses and total surplus in the 2022/23 status quo budget compared to the 2021/22 amended budget:

	2021/22 Amended	2022/23 Status Quo	Variance
Revenue	\$ 261,744,488	\$ 265,822,886	\$ 4,078,398
Salaries	(199,327,647)	(201,624,489)	(2,296,842)
Benefits	(44,355,194)	(46,505,788)	(2,150,594)
Services & Supplies	(23,771,886)	(21,688,287)	2,083,599
Local Capital	(2,252,000)	(2,502,000)	(250,000)
Surplus / (Deficit)	\$ (7,962,239)	\$ (6,497,678)	\$ 1,464,561

Covid-19 Budget Impact

The COVID-19 Pandemic continues to significantly impact the budget for 2022/23. Overall, COVID-19 has negatively affected the operating budget by \$ 6,228,780. Below is a table detailing the areas of the budget that COVID-19 has significantly impacted.

	Revenues	Expenditures	Surplus/ (Deficit)
22/23 Status Quo Budget - With No COVID	277,654,544	277,385,646	(268,898)
Enrolment	(4,383,074)	(2,103,876)	(2,279,199)
International	(6,169,180)	(2,961,206)	(3,207,974)
Rental Revenue	(183,903)	(36,781)	(147,122)
Investment Income	(1,095,500)	-	(1,095,500)
22/23 Status Quo Budget	265,822,886	272,320,564	(6,497,678)
Net Change	(11,831,657)	(5,065,082)	(6,228,780)

Due to restrictions on travel and a lack of migration into the City of Burnaby, local and international enrolment was greatly impacted leading to significant enrolment decline which was not fully recovered. While it is projected that rental revenues and investment income are increasing in 2022/2023, they are still below levels prior to the pandemic.

Three Year Budget

Below is a three-year projection of the operating budget. This projection is based on factors that are known to the District at that time and contain assumptions that the District will maintain current service level and programs. Revenues are primarily based on enrolment projections and the Ministry's current funding formula. International Education enrolment for 2022/23 is anticipated to remain at the same level as 2021/22 and then increase by 3.3% in 2023/24 and an additional 9% in 2024/25. Expenses are based on maintaining current service levels and inflation applied to benefits and utilities costs. Salary increases for teachers and support staff have not been included as bargaining for new collective agreements has not concluded. It is assumed that collective agreement salary increases will be funded by the Ministry of Education operating grant. Local Capital expenditures are increased to reflect the contributions required to support the Education Technology Plan, reversal of the one-time reduction to the Vehicle Replacement Plan and reversal of the one-time increase in investment income in 2022-23 due to a higher fund balance.

	2022/2023 Projected	2023/2024 Projected	2024/2025 Projected
Revenue	\$ 265,822,886	\$ 268,874,971	\$ 272,916,916
Salaries and Benefits	(248,130,277)	(251,029,182)	(255,176,487)
Services and Supplies	(21,688,287)	(21,727,293)	(21,766,741)
Local Capital	(2,502,000)	(3,502,000)	(4,002,000)

2021/2022 Q3 Projections

The District closed the 2020/2021 fiscal year with an unrestricted reserve of \$13,011,205. This amount of reserve was lower than in prior years due to the use of \$8,880,649 used to balance the budget in 2020/2021. Of this reserve, \$6,843,830 was required to balance the 2021/2022 operating budget in June of 2021.

Since then, the District added \$2,093,855 to the reserve as a result of projections contained in the 2021/2022 Amended Budget prepared in February 2022. This change was driven primarily by higher enrolment growth than projected for school-age students as well as international education students. The Quarter 3 Financial Projection prepared in April 2022 will add another \$1,938,188 to the reserve driven primarily by increased Ministry Operating Grant from the February enrolment count, lower International Education recruitment fees and lower than

projected spending through school block budgets, program development and professional development as COVID-19 caused a steep reduction of in-person professional development.

In addition to unrestricted reserves that are projected, the District is projecting to end the 2021/2022 year with \$2,748,687 in proposed restricted reserves related to program and staff development funds, district learning resources, teacher mentorship funds and project related funds. These funds are projected to be unspent at the end of the year and if approved by the Board, will carryforward and be spent in 2022/2023.

For the 2022/2023 fiscal year and beyond, it is estimated that the District has \$10,199,418 of unrestricted reserves available. It is important to note that these reserves are one-time funds available to the District. These funds are generated when revenues are higher than projected or expenditures are lower than projected in prior budget periods.

Fund Balance		
2020/21 Financial Statements	\$	13,011,205
Application of Prior Year's Surplus		(6,843,830)
Amended Budget Surplus Addition		2,093,855
2021/22 Amended Budget Fund Balance	\$	8,261,230
Q3 Projected Surplus Addition		1,938,188
2021/22 Q3 Projected Fund Balance	\$	10,199,418

Budget Adjustments

The District continues to recover from the impact that the COVID-19 pandemic has had on its financial position with structural budget shortfalls projected over the next three years. The budget adjustments below were developed with the District's vision, mission and core values as defined in the strategic plan in mind.

Community and Partner Group's engagement and input is vital to the work of the Board. Before making decisions on budget adjustments, the Board went through an extensive consultation process as detailed earlier in this report. Budget consultation meetings were advertised through local media outlets, social media as well as the District's website. An email address was also setup to receive input from individuals who were unable to attend the consultation meetings or who wanted to submit their input in writing.

An effort was made to protect resources supporting vulnerable students and mental health as these are supports that will be vital to the classroom as schools recover from the pandemic. During the budget development process, the goal was to balance the budget for the next two fiscal years and reduce the structural deficit through a combination of budget adjustments and use of unrestricted reserves.

**Positive amounts are budget reductions, negatives are budget additions*

Staffing Adjustment Summary		
Area	FTE	\$
CUPE		
Human Resources	(0.40)	(27,919)
Facilities	4.50	275,604
School Allocations	(1.00)	(79,627)
CUPE Total	3.10	168,058
Excluded/Admin		
Educational Administration	TBD	200,000
Excluded/Admin Total	-	200,000
Teaching		
Staff Development		(42,000)
School Allocations	8.14	844,004
Teaching Total	8.14	802,004
Staffing Total	11.24	1,170,062

Services & Supplies Adjustment Summary	
Area	\$
School Block Allocations	260,000
Equity, Diversity, Inclusion and Reconciliation	(75,000)
Restricted Surplus - Board Strategic Plan	75,000
Vehicle Replacement (Local Capital)	125,000
Services & Supplies Total	385,000
Grand Total	1,555,062

Three Year Budget Fund Balance

Along with the budget adjustments above, an allocation of prior year surpluses and reserves is required to balance the budget and position the District to financially recover from the impact of the COVID-19 pandemic. Below is a table detailing the usage of surpluses and reserves over three years.

	2022/2023 Preliminary Budget	2023/2024 Projected	2024/2025 Projected
Revenue	\$ 265,822,886	\$ 268,874,971	\$ 272,916,916
Salaries and Benefits	(246,960,215)	(249,484,905)	(253,632,210)
Services and Supplies	(21,428,287)	(21,527,293)	(21,566,741)
Local Capital	(2,377,000)	(3,377,000)	(4,002,000)
Surplus / (Deficit)	\$ (4,942,616)	\$ (5,514,227)	\$ (6,284,035)

	2022/2023	2023/2024	2024/2025
Fund Balance Beginning of Year	10,199,418	5,256,802	(257,425)
Current Year Surplus/(Shortfall)	(4,942,616)	(5,514,227)	(6,284,035)
Fund Balance End of the Year	5,256,802	(257,425)	(6,541,460)

Special Purpose Fund

The Special Purpose Fund consists of restricted grants and other funding subject to a legislative or contractual restriction on its use. These funds are not available for expenditures in the operating fund. These revenues are deferred until the related expenditures are incurred. The School District projects the following Special Purpose Fund revenues to be received in 2022/2023:

Category	Amount	Discussion
Annual Facility Grant	\$931,106	These funds are used throughout District schools to address ongoing maintenance and improvement needs.
Learning Improvement Fund	\$816,752	Funding used specifically to augment Educational Assistants' hours providing additional support to complex learners.
Strong Start	\$384,000	Strong Start early learning centres provide school-based, drop-in programs for children aged birth to five and their parents or caregivers.
Ready, Set, Learn	\$100,450	Eligible RSL events for 3 to 5 year olds and their parents are hosted to support early learning and facilitate a smooth transition to Kindergarten
Official Languages in Education French Programs	\$306,032	Funding for core French-language programs and curriculum resources.
Community LINK	\$3,932,054	Funding for programs and initiatives to improve the education performance of vulnerable students, including both academic achievement and social functioning.
Classroom Enhancement Fund (CEF)	\$14,059,865	Eligible expenses includes teacher staffing, overhead staffing and equipment costs resulting from restoration of class size and composition language.
BC Provincial School for the Deaf	\$6,890,690	The BC Provincial School for the Deaf is a K to 12 school for the deaf or hard-of-hearing.
Fraser Park / Maples	\$2,460,105	A secondary program which provides assessment, consultation services and classroom instruction to youth referred to the Maples Adolescent Center.
CIC – LINC, SWIS, Wraparound	\$3,727,350	These programs are funded by Citizenship and Immigration Canada. Language Instruction for Newcomers to Canada (LINC) provides language instruction for adults who are newly settled in Canada. Settlement Workers in Schools (SWIS) places settlement workers in schools that have high numbers of newcomer students.
School Generated Funds	\$4,193,164	Funds that are generated locally at the school level and used for school operations
Other	\$363,668	Other programs funded through the Special Purpose Fund
Total	\$38,165,236	

Major Capital Projects

The Burnaby School District expects to have six active major capital projects at various stages of progress during the 2022/2023 school year. The table below outlines the active projects and timelines. Capital expenditures are primarily funded by the Ministry of Education, with additional funding provided through locally generated District capital funds and third-party contributors such as the Ministry of Children and Family Development and the City of Burnaby.

Capital Projects	Project Scope	Date of Approval	Construction Completion	Target Occupancy
Burnaby North Secondary	Replacement	September 2018	December 2022	January 2023
Parkcrest Elementary	Seismic Partial Replacement	July 2019	July 2022	September 2022
Seaforth Elementary	Seismic Strengthening	July 2019	July 2022	September 2022
Stride Elementary	Replacement	April 2021	June 2024	September 2024
Brentwood Park Elementary	Expansion	Planning	-	-
Cameron Elementary	Expansion	Planning	-	-

Other Capital Funded Projects

The District is required to submit a five-year capital plan to the Ministry of Education for additional funding for capital projects as described below.

Annual Facilities Grant (AFG) funds are used throughout District schools to address ongoing maintenance and improvement needs.

School Enhancement Program (SEP) projects are investments that contribute to the safety and function of the school while extending the life of the asset.

Carbon Neutral Capital Program (CNCP) projects are investments that contribute to measurable emission reductions and operational costs savings expected as a result of completed projects.

School Playground Equipment projects are investments in various playground equipment.

March 31st Fiscal Year end	2022/2023 Planned Spending
AFG (Capital only)	\$ 3,843,290
SEP	\$ 1,600,000
CNCP	\$ 563,000
Various School Playground Equipment	\$ 165,000