

SCHOOL DISTRICT 63 (SAANICH)

FINANCE, FACILITIES AND TECHNOLOGY COMMITTEE

Agenda

Committee Members: Trustee Martin, Chair
Trustee McMurphy
Trustee VanWell

Jason Reid, Secretary Treasurer
Dave Eberwein, Superintendent of Schools
Rob Lumb, Director of Facilities
Megan Cimaglia, Director of Finance
Cody Henschel, Director of Information Technology

January 12, 2021
10:30 am

A. PRESENTATIONS AND QUESTIONS

No Items.

B. ITEMS FOR DISCUSSION

No Items.

C. ITEMS FOR RECOMMENDATION

1. Federal Safe Return to School Grant

Staff Recommendation:

That allocation of the first installment of the Federal Safe Return to Class Fund for computer equipment be increased to \$100,000 and residual funding from the first installment be allocated to fund teacher staffing in neighbourhood schools.

D. ITEMS FOR INFORMATION

1. Fiscal Forecast – attachment
2. White Road – oral report

E. FUTURE AGENDA ITEMS

1. Amended Annual Budget 2020/21 (Feb)
2. Fiscal Forecast (Feb)
3. Report from BAC (Feb)
4. Risk Report (March)

To: Finance, Facilities and Technology Committee

Prepared By: Jason Reid

Subject: Federal Safe Return to Class Fund

Date: January 8, 2021

Purpose

The purpose of this briefing note is to provide an update on the Federal Safe Return to Class Fund including forecasted expenditures, holdback funding, and expected confirmation of the second installment.

Background

On August 26, 2020, the Federal government announced \$2 billion in funding to allow provinces and territories to work with local school boards to implement measures to protect students and staff from COVID-19. On September 3, 2020, the ministry announced allocation of the funding to school districts as the Federal Safe Return to Class Fund (FSRF). BC is receiving \$121.1 million for the fall and “up to” a further \$121.1 million in funding for the second half of the school year in January.

The Saanich School District’s share of the 1st installment was \$1,433,835. Allocations to districts were also net of a 10% holdback by the Ministry. On September 16, 2020, the Board approved an allocation plan for the FSRF.

In November 2020 I reported that, relative to forecast, enrolment had declined in neighbourhood schools, but had grown significantly at SIDES. While the district experienced enrolment growth overall, cost pressure resulted because staffing levels were maintained in neighbourhood schools¹, and additional staffing was required at SIDES. In neighbourhood schools enrolling teacher staffing exceeded enrolment for funding purposes by approximately 15 teacher FTE (\$1.56 million), because domestic and international enrolment was 336 student FTE below forecast. To fund this cost pressure, in November 2020:

- \$300,000 from the FSRF was reallocated to fund additional staffing in neighbourhood schools (in excess of funded enrolment); and
- The Board allocated an additional \$1,133,661 from accumulated surplus (reserves) to fund operating expenditures.

¹ Staffing levels were maintained because final enrolment was uncertain with numbers increasing and decreasing on a daily basis, and to maintain stability avoiding the heightening of anxiety that would result from re-organizing class structures following school start-up during a global pandemic (which would have likely reduced enrolment further). Additional staffing levels have also helped implementation of health and safety measures.

The \$300,000 reallocation of funds from the FSRF was possible because enrolment in remote learning had decreased significantly through the fall and savings were expected.

Update on the Federal Safe Return to Class Fund

Earlier this week, government announced distribution of the holdback on the 1st installment of the FSRF, and confirmed the Saanich School District would receive an additional \$125,412 increasing the 1st installment to \$1,559,247. We have also been advised that the second installment will be confirmed in late January or early February, and that a material change relative to the first installment is not anticipated. Note that we are now renewing contracts for temporary positions that were scheduled to end January 31, 2021

The attached schedule presents forecasted expenditure of the 1st installment up to January 31, 2021 (the end of the 1st half of the school year). Overall, forecasted expenditure is \$486,291 below total funding (note that this difference includes the recently announced holdback).

In September, 15% of the funds were allocated to contingency (1st installment - \$120,005 / 2nd installment - \$310,135) because the risks that demand for remote learning could increase, that the 2nd installment could be lower than the 1st installment, and that other costs could exceed budget. Enrolment in remote learning decreased through the fall, and forecasted expenditure to January 31st, is approximately 50% of the original budget. As presented in the attached report, other staffing budgets are also forecasted to be below budget. Following a significant increase to usage of the Employee and Family Assistance Program (EFAP) to date, \$50,000 was allocated from contingency to fund the additional cost for the year. At this point, staff replacement cost is not significantly exceeding budget; however, there is risk this trend will change and allocation of contingency funds will be necessary.

At this time, I recommend increasing the computer equipment allocation from the 1st installment from \$40,000 to \$100,000 to further improve remote access for students and teachers. Another need recently identified is increased outreach to improve student engagement. We are proposing \$50,000 be allocated from the 2nd installment contingency to increase outreach with an emphasis on supporting Indigenous students. Following confirmation of the 2nd installment, I will present a revised budget for the committee and Board's review and approval.

I propose that residual funding be allocated to increase funding for teacher staffing in neighbourhood schools that is in excess of funded enrolment. This is a pandemic related cost, and to the extent the FSRF can be used to offset this cost, the district will preserve financial flexibility and reduce the potential of program impact in 2021/22.

The pandemic has had a significant financial impact on the school district, including significant reduction to international program revenues. In order to maintain program stability and balance the 2020/21 budget, the Board has appropriated \$4.2 million of accumulated surplus to fund operating expenditures (total available accumulated surplus is \$6.7 million). By comparison, in the 2019/20 budget \$1.2 million of accumulated surplus was appropriated to fund expenditures.

There is a significant risk that financial pressure will persist into the 2021/22 fiscal year. International enrolment will likely not increase to historical levels right away, and other pandemic related costs may also persist into 2021/22.

Staff Recommendation:

That allocation of the 1st installment of the Federal Safe Return to Class Fund for computer equipment be increased to \$100,000 and residual funding from the 1st installment be allocated to fund teacher staffing in neighbourhood schools.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jason Reid".

Jason Reid
Secretary Treasurer

JR/klg

Attachments: Federal Safe Return to Class Fund Forecast

Attachment 1: Federal Safe Return to Class Fund (FSRF) Forecast (January 8, 2021)

Category	FSRCF - 1st instalment	Forecast to January 31, 2021	Forecasted Variance - 1st Instalment	FSRCF - 2nd instalment (tentative only)	Annualized Allocation
Personal Protective Equipment (PPE) and plexiglass barriers	85,500	92,500	-7,000	16,500	102,000
Improved Hand Hygiene, Cleaning supplies, and cleaning equipment	71,130	41,340	29,790	15,000	86,130
Cleaning Frequency (custodial staffing)	150,000	96,526	53,474	150,000	300,000
Teacher Staffing (remote learning)	510,000	255,803	254,197	510,000	1,020,000
<i>Budget reallocation from Teacher Staffing (remote learning)</i>	<i>-150,000</i>		<i>-150,000</i>	<i>-150,000</i>	<i>-300,000</i>
<i>Budget reallocation to Teacher Staffing (neighbourhood schools)</i>	<i>150,000</i>	<i>150,000</i>	<i>0</i>	<i>150,000</i>	<i>300,000</i>
Instructional Support (remote learning)	50,000	21,934	28,066	50,000	100,000
Computers (remote learning)	40,000	40,000	0	40,000	80,000
Mid-Day Transportation at Secondary	90,200	59,691	30,509	90,200	180,400
Elementary/Middle Supervision (staffing)	102,000	73,582	28,418	102,000	204,000
Health and Safety Training (wages to attend)	65,000	44,022	20,978		65,000
Upgraded HVAC filters	35,000	58,790	-23,790	35,000	70,000
Utility Cost Increase (reduced air re-circulation)	60,000	59,000	1,000	60,000	120,000
Secondary Timetabling (staffing)	55,000	29,769	25,231	55,000	110,000
CONTINGENCY (Note 1)	120,005	50,000	70,005	310,135	430,140
HOLDBACK RELEASE (January 2021)	125,412	0	125,412		125,412
Total	1,559,247	1,072,956	486,291	1,433,835	2,993,082

Saanich School District
2020/21 Year-End Projection (Operating Fund w/CEF)

Actual and Forecasted Results

As at November 30, 2020

	Prior Year Actual 2019	Prior Year Actual 2020	Amended Budget	Current Budget	Revenue/ Expenditures to Date	Projected Revenue and Expenditure	Variance From Budget	Notes
Revenue								
621 Consolidated Revenue Grants	(68,251,286)	(69,978,199)		(72,815,509)	(22,056,767)	(72,713,566)	(101,943)	Note 1
627 Indig. Northern Affairs Canada (INAC) Recovery	2,984,092	3,281,144		2,933,795	984,300	2,933,795	-	
629 Other Ministry Of Ed Grants <i>includes Pay Equity, Ad hoc MOE grants, Grad adult funding</i>	(1,277,918)	346,623		(3,694,671)	(1,561,478)	(3,694,671)	-	
629 Classroom Enhancement Fund (CEF)	(7,832,734)	(7,617,267)		(7,697,396)	(1,812,280)	(7,697,396)	-	
630 Federal Grants <i>French Odyssey Grant, Jordan's Principle</i>	-	(52,923)		-	-	-	-	
645 Instructional Cafeteria Revenue	(158,687)	(111,259)		(68,000)	(28,657)	(68,000)	-	
646 Local Education Agreements/Direct Funding Indig.	(2,984,092)	(3,281,144)		(2,933,795)	(984,300)	(2,933,795)	-	
647 International and Out of Province Students	(7,445,332)	(7,086,493)		(2,238,500)	(2,971,955)	(2,238,500)	-	
649 Misc. Fees & Revenues <i>includes ad hoc grants received, recovery revenue from shared services, funding from municipalities, BC hydro energy saving grants</i>	(738,841)	(439,018)		(258,748)	(209,833)	(258,748)	-	
650 Text Book Deposit Receipts	-	-		-	-	-	-	
651 Community Use Of Facilities	(20,229)	(12,874)		-	(7,000)	-	-	
659 Other Rentals & Leases	(373,872)	(378,889)		(390,000)	(94,381)	(390,000)	-	
660 Exchange (Gain) Loss	(2,659)	15,273		-	10,050	-	-	
661 Interest On Short Term Deposits	(387,270)	(369,858)		(200,000)	(90,681)	(200,000)	-	
662 Appropriated Surplus (prior years carry forward amounts)	-	-		(5,954,376)	-	(5,954,376)	-	
672 Student Fees/Certifications	(64,207)	(101,790)		(75,000)	(34,200)	(75,000)	-	
Total Revenue	(86,553,035)	(85,786,674)	-	(93,392,200)	(28,857,182)	(93,290,257)	(101,943)	
Expenses								
105 Salaries - P/VP	4,535,583	4,548,388		4,683,763	1,874,203	4,710,602	(26,839)	
111 Salaries - Teachers (incl. POSR)	35,158,350	35,048,397		39,770,975	11,909,713	39,331,139	439,836	Note 2
307 - Teacher remedy	1,217,910	973,130		1,085,486	163,190	1,085,486	-	Note 3
Teacher remedy unspent	-	-		-	-	-	-	
122 Salaries - Support Staff (incl. In Service, WCB and First Aid)	8,335,824	8,034,024		9,283,771	3,437,390	9,345,470	(61,699)	
123 Salaries - Other Professionals	2,727,455	3,076,688		3,176,386	1,011,900	3,186,288	(9,902)	
131 Salaries - Educational Assistants	4,596,491	4,910,856		5,687,990	1,566,068	5,468,246	219,745	Note 4
143 Support Staff Replacement Costs	518,363	390,629		393,228	199,178	400,521	(7,293)	
146 Teacher Replacement Costs	2,576,226	2,242,596		2,687,461	899,427	2,720,699	(33,238)	
	59,666,202	59,224,708	-	66,769,060	21,061,070	66,248,452	520,609	
200 Benefits	14,687,466	14,261,495		16,702,094	4,714,322	16,536,804	165,290	Note 5
	14,687,466	14,261,495	-	16,702,094	4,714,322	16,536,804	165,290	
Services & Supplies								
Services	4,696,799	4,650,249		2,886,998	1,032,055	2,886,998	-	
Pro-D & Travel	671,213	528,389		742,506	206,937	742,506	-	
Rentals & Leases	94,027	92,429		125,012	48,923	125,012	-	
Dues & Fees	272,919	336,159		364,400	280,076	364,400	-	
Insurance	168,378	167,891		174,000	158,102	174,000	-	

	Prior Year Actual 2019	Prior Year Actual 2020	Amended Budget	Current Budget	Revenue/ Expenditures to Date	Projected Revenue and Expenditure	Variance From Budget	Notes
Supplies	3,042,502	1,960,575		2,758,578	1,705,909	1,758,578	1,000,000	Note 6
Utilities	1,531,380	1,357,815		1,627,500	248,112	1,627,500	-	
	10,477,218	9,093,507	-	8,678,994	3,680,114	7,678,994	1,000,000	
Total Expenses	84,830,886	82,579,710	-	92,150,148	29,455,506	90,464,249	1,685,899	
Transfer from operating for purchase of capital assets	615,580	1,677,301		1,146,441	-	1,146,441	-	
Transfer from operating to support special purpose funds	6,947	-		3,474	-	3,474	-	
Transfer to local capital for asset replacement reserve	57,060	92,138		92,138	-	92,138		
(Surplus)/Deficit	(1,042,562)	(1,437,525)	-	0	598,324	(1,583,956)	1,583,956	
					Opening Unrestricted Surplus	(723,702)		
					Estimated School and District Carry Forwards	1,000,000		
					Estimated Closing Unrestricted (Surplus)/Deficit	(1,307,658)		

Amended Budget is the February *Amended Annual Budget*, which is being prepared currently and will be approved by the Board on February 17, 2021.

Current Budget is the current working budget.

Certain comparative figures have been restated to conform with current year's presentation

Variance comments:

Note 1 - Consolidated Revenue grants are lower than anticipated due primarily to lower than expected salary differential funding.

Note 2 - If any teacher salary savings occur, to the extent that these savings are attributable to the Classroom Enhancement Fund, it may result in claw back of funding. Teacher salaries positive variance is due to current average teacher salary being lower than budgeted by about \$700. We have also deployed fewer teachers than budgeted due to hiring lag in filling positions. Teacher salary savings may be needed to offset higher teacher replacement costs.

Note 3 - We currently assume that teachers will use all remedy they are entitled to during the year. This assumption may need to be adjusted as the year progresses based on elected usage by teachers and ability of the District to provide teachers on call to deliver the remedy. Funding for remedy is targeted and cannot be used for any other purpose.

Note 4 - Education Assistant (EA) salaries positive variance is due to several factors:

- This budget is allocated across the 17 school budget centres and each centre maintains conservatism in deployment of resources to remain on budget.
- Schools fill as many full time EA positions as they can but inevitably, EAs take unpaid time off and are not replaced or are replaced with a lower cost temporary employee (when we budgeted the role to be filled by a full time permanent employee). These result in positive variances that the schools can save up until they can post a full time or close to full time position for the rest of the school year.
- Hiring lag in deployment of September EA funding.

Note 5 - Benefits are currently expected to be under budget due to a number of small factors.

Note 6 - Assumption made in preparing this forecast is that departments and schools will spend their services and supplies budgets as allocated, other than the following anticipated carry forward: (\$1,000,000) expected school and district carry forward.