



F EDUCATION

EDUCATION

%XUQDE\ 6FKRRO 'LVWUL

Preliminary Budget Report

2020/2021

Introduction

In the Spring of 2020, as the Burnaby School District looks to the budget process, across the country and around the world life looks different because of COVID-19. The changeability and

projections for school districts. In these uncertain times, the Burnaby School District looks to its

Who We Are

Formed in 1906, the District is on the traditional territory of the Coast Salish Nations of

Squamish. Our District is now

the fourth largest in BC, with 24,000 students (K-12) and 4000 dedicated employees.

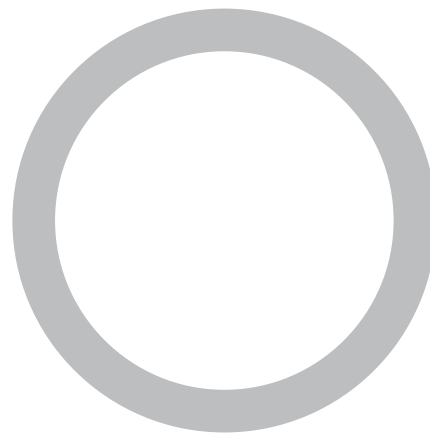
schools and 8 secondary

schools, including a range of district programs and Provincial Resource Programs.

learning opportunities to more

than 16,000 adult learners through our established Burnaby Community & Continuing Education program.

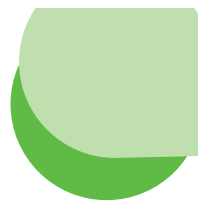
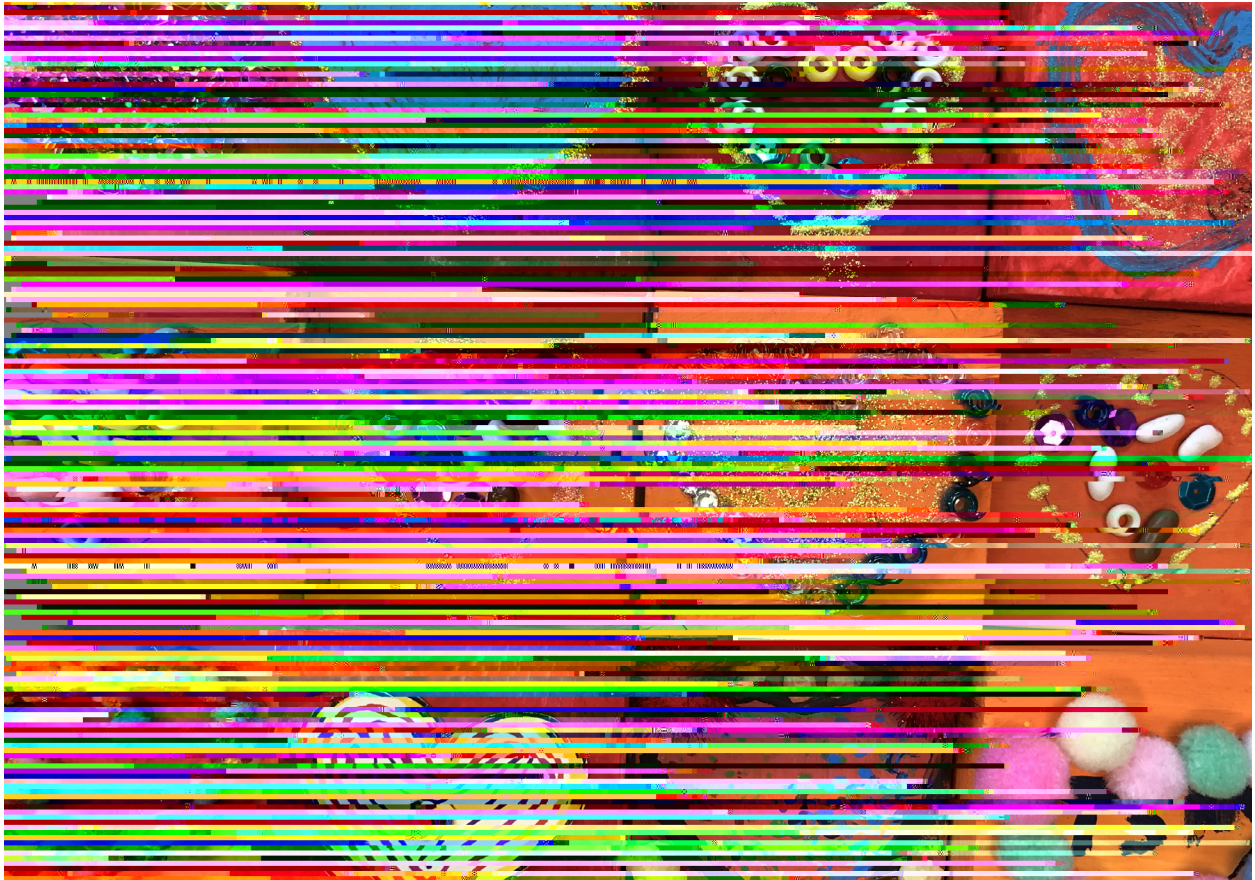
230,080



by seven elected Trustees,

whose four-year term began in 2018.

2XU 9LVLRQ 0LVVLRQ DQG 9DOXH V



2XU 9LVLRQ

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

2XU 0LVVLRQ

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

2019/20 Quarter 3 Financial Update

In February 2020, the Board approved the 2019/20 Amended Budget which included updated enrolment figures as at September 2019 and other updates to projections within the budget. There has been a significant impact to budget as a result of the COVID-19 crisis. Below are updates to those projections, split out to show the estimated impact of COVID-19 to the budget.

	19/20 Amended	19/20 Q3- Status Quo	19/20 Q3- Covid-19	Variance	Variance- Covid-19	Covid-19 Incremental
Ministry of Education Grants	221,053,482	221,244,277	221,244,277	190,795	190,795	-
Other MOE Grants	5,517,374	5,539,453	5,539,453	22,079	22,079	-
International Education	25,628,150	25,878,264	25,828,764	250,114	200,614	200,244,500

Major Changes

The major changes from the 2019/20 Amended Budget to the pre-COVID-19 Q3 projection were as follows:

- x Increased enrolment in special education from the February enrolment count and February international student intake (+\$0.46m)
- x Projected staffing costs close to budget
- x Salary variances led to benefits savings of \$0.16m and a one-time \$0.31m credit for plan surpluses held by our provider
- x Services and supplies savings resulted from utilities (\$0.23m), IT services (\$0.51m), furniture and equipment (\$0.52m), school allocations (\$0.21m), career programs (\$0.24m), insurance (\$0.12m), Burnaby Online (\$0.11m)

The major changes from the 2019/20 Amended Budget as a result of COVID-19 were as follows:

- x Shift to online learning led to a reduction of teachers teaching on call (\$2.88m) and casual support staff (\$0.69m)
- x International education revenue decrease (\$0.05m) due to cancellation of the Spring intake
 - enrolment resulting from moving classes online
- x Interest rates decreased from 2.95% to 1.45% leading to a reduction in investment income (\$0.30m)
 -
- x Additional services and supplies savings resulted from furniture and equipment (\$0.23m) and school allocations (\$1.27m) due to a directive to freeze budgets (other than health & safety and continuance of learning).
- x Purchase of laptops for students, school phone system upgrades and student Wifi will increase technology costs (\$0.14m)
 -
- x Meals delivery for vulnerable students funded through CommunityLink grant (\$0.20m)

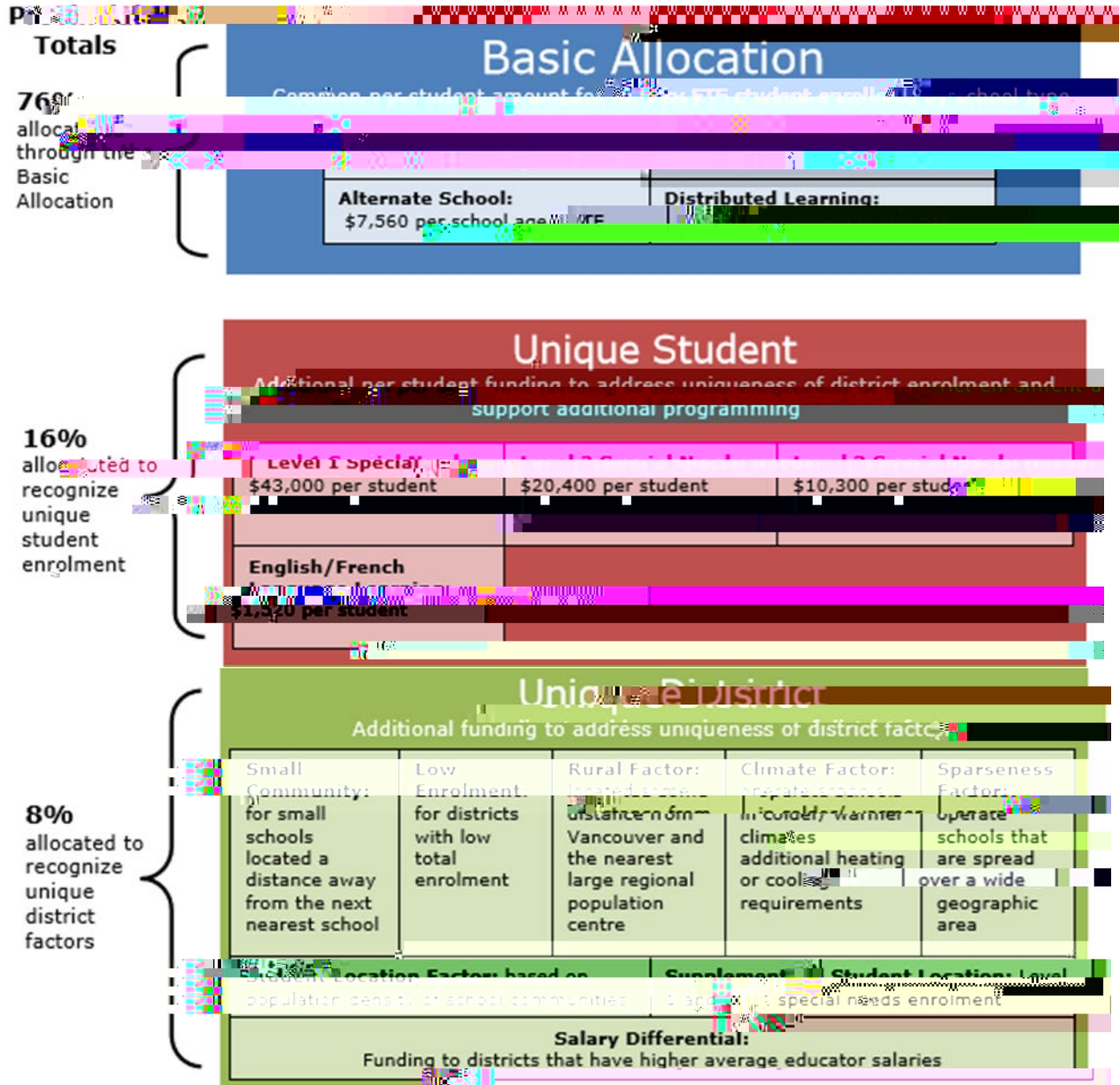
2020/21 Status Quo Budget

The development of the 2020/21 budget required the district to make a number of assumptions related to the provincial budget, local factors and factors affected by COVID-19. These assumptions each have varying levels of risk which have also been identified here.

In addition to the above assumptions

Over the past five years the School District has experienced significant growth in the number of special needs students and English language learners (ELL). This trend is forecasted to continue through the 2022/2023 school year with special needs up 19 percent and ELL up 6 percent from over the next three years.

International education has seen significant historical enrolment growth. As a result of the global



Revenues

The table below summarizes projected revenues in the pre-COVID-19 2020/21 status quo budget compared to the 2019/20 amended budget:

	2019/20 Amended	Pre-Covid-19 2020/21 Status Quo
--	--------------------	---------------------------------------

Expenses

The following tables summarize projected expenses in the pre-Covid-19 2020/21 budget compared to the 2019/20 amended budget:

Operating Surplus

The table below s

Covid- 19 Status Quo

The COVID-19 crisis has had a significant impact to the budget for 2020/21. Below is a table detailing the financial impact of each area as described in the COVID-related budget assumptions table, which included the impact of the Ministry of Education funding announcement.

Budget Adjustments by Area

	Covid-19 Impacts									
	Original	MOE Funding Announcement	International	Summer Session	Continuing Education	Investment Income	Rentals	Labour Settlement	Other	Status Quo
Grants & Revenue	262,636,342	(1,367,659)	(11,390,250)	(1,519,523)	(60,000)	(1,039,285)	(455,360)	7,146,649	35,300	253,986,214
Expenses										
Salaries and Benefits	236,529,046	195,105	(3,115,085)	(866,298)	-	-	-	7,146,649	(41,204)	239,848,212
Services & Supplies	26,184,691	-	(2,377,033)	(34,506)	-	-	-	-	-	23,773,152
Expenses	262,713,737	195,105	(5,492,118)	(900,804)	-	-	-	7,146,649	(41,204)	263,621,364
Net Expenses	(77,395)	(1,562,764)	(5,898,132)	(618,719)	(60,000)	(1,039,285)	(455,360)	-	76,504	(9,635,151)
Local Capital	(2,102,000)	-	-	-	-	-	-	-	-	(2,102,000)
Surplus / (Deficit)	(2,179,395)	(1,562,764)	(5,898,132)	(618,719)	(60,000)	(1,039,285)	(455,360)	-	76,504	(11,737,151)

0wTjE.Tc 0

The table bel

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 is expected to increase by 22% in 2021/22 and an additional 30% in 2022/23. Expenses are based on maintaining current service levels with projected increases to salaries based on estimated collective agreement increases and inflation applied to benefits and utilities costs. Local Capital expenditures are increased to reflect the contributions required to support the Education Technology Plan.

Budget A djustin 8.995 Tdao (ol)o ir ent fff(ent fc)2 (udget)1 (A)TJ 10.98 0 0 10.932.32 -3()T4m 4.44or and u

s e D [(a g r) 0 . s l a n . 8 . 2 9 5

*Positive amounts are budget reductions, negatives are budget additions

Staffing Adjustment Summary

Area	FTE
------	-----



Three Year Budget Fund Balance

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

	2020/21 Preliminary Budget	2021/22 Projected	2022/23 Projected
Revenue	254,631,751	267,957,644	281,169,897
Salaries and Benefits	(240,240,644)	(251,426,414)	(262,214,876)
Services / Supplies	(21,169,755)	(21,665,406)	(22,397,608)
Local Capital	(2,102,000)	(2,602,000)	(3,102,000)
Surplus / (Deficit)	(8,880,648)	(7,736,176)	(6,544,586)
Use of Operating Reserves			
Current Unrestricted 18-19 Financial Statements	3,851,639	-	-
Amended / Q3 2019/20 Budget Projection	2,529,009	4,968,616	2,007,412
Restricted Reserves - Reclassification	-	1,267,560	-
International Education Restricted Reserve	2,500,000	1,500,000	-
Surplus Usage	8,880,648	7,736,176	2,007,412
Total Surplus / (Deficit)	-	-	(4,537,174)

Budget Monitoring and Stages of COVID -19

Sever

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 revenues are deferred until the related expenditures are incurred. The School District projects the following Special Purpose Fund revenues to be received in 2020/21: orOnng.

Category	Amount	Discu ssion
Annual Facility Grant	\$930,932	These funds are used throughout District schools to address ongoing maintenance and improvement needs.

Major Capital Projects

The Burnaby School District expects to have eight active major capital projects at various stages of progress during the 2020-2021 school year. The below table outlines the active projects and timelines. Capital expenditures are primarily funded by Ministry of Education, with additional funding provided through locally generated District capital funds and third-party contributors such as Ministry of Children and Development and the City of Burnaby.

Capital Projects	Project Scope	Date of Approval	Construction Completion	Target Occupancy
District Board Office	Replacement	06-Feb-18	Jul-21	Jul-21
Burnaby North Secondary	Replacement	26-Sep-18	Jun-23	Jun-23
Parkcrest Elementary	Seismic Partial Replacement	12-Jul-19	Jul-22	Sep-22
Seaforth Elementary	Seismic Strengthening	12-Jul-19	Jul-22	Sep-22
Childcare Facilities	Combination - New Build and renovation	11-		