

Embargoed until:

APRIL 9, 2020

## 2020-2021 Budget

### BACKGROUND

Delta School District staff and the Board of Trustees are committed to a thoughtful and student-centred approach to balancing the budget each year.

**A balanced budget is a stipulation of the School Act.**

### THE 2020/21 BUDGET AND CONTRIBUTING FACTORS

**The Annual Operating Budget for 2020/21 is \$162.8 million.**

The District anticipates a growth in enrollment of 144 full-time enrolled (FTE) students for the 2020/21 school year, bringing the student FTE total from 15,407 in the 2019/20 Original Budget projection to 15,551 student FTE forecasted for the upcoming year.

**For the first time in 3 years, the Delta School District is projecting a shortfall in its Annual Operating Budget. At \$582 thousand, the moderate shortfall makes up 0.4% of the 2020/21 budgeted operating expenses. No reductions in staffing have to be made to present a balanced draft budget. Normal staffing procedures still apply.**

### MINISTRY OF EDUCATION FUNDING ANNOUNCEMENT

The Ministry's Funding Announcement for year one of the phased-in Funding Model Review implementation resulted in an increase of \$1.790 million over the original 2019/20 Original Budget amount of \$148.749 million.

The District anticipated \$1.456 million of the \$1.790 increase for enrolment growth, based on the prior formula. Additional increases, purely specific to the change in funding formula, amounted to a further \$334 thousand. This \$334 thousand, consisted of \$1.674 million in increased Operating Grant funding and an offsetting decrease of (\$1,340) million from the discontinuance of grants, including the Employer Health Tax grant of (\$1.279) million and Carbon Tax Reimbursement of (\$61) thousand. These grants were rolled into the per pupil amounts in the Operating Grant portion of the funding.

District funding for 2020-21 will ultimately be less by approx. (\$933) thousand when Support Staff Labour Settlement funding, received outside of the original budget timeline, is considered.

### **THE 2020/21 BUDGET SHORTFALL COMPOSITION**

The District's Ministry of Education funding increase of \$1.790 million above the 2019/20 Original Budget, and \$2.372 million in increased District costs, collectively contribute to the \$582 thousand shortfall. In the prior year, by comparison, the District was able to project a small surplus.

Included in the District costs are increased labour settlement costs of \$1.267 million, benefit rate increases of \$378 thousand and utility rate increases of \$766 thousand.

### **THE 2020/21 BUDGET BALANCING RECOMMENDATION**

Delta School District is committed to fully fund its operating costs without undue reliance on funding sources that are not certain in these uncertain times. To that end, the recommendation calls for balancing the budget without the use of Reserve funds and for holding sufficient Reserve funds to buffer potential revenue shortfalls from the impact of COVID-19.

#### **Budget Balancing Initiatives**

- **Decreased Expenses - \$179 thousand**, consisting of \$29 thousand in reductions of administrative costs, a \$50 thousand reduction in technology funds and a recognition of unavoidable hiring delays in the amount of \$100 thousand.
- **Increased Utilization of Anticipated International Student Program Revenue - \$403 thousand.** Acknowledging the uncertain nature of International Student Program enrolment, this contribution represents only a modest increase over the prior year amount in our draft budget.

### **QUOTE**

"It has been our top objective to present a balanced draft budget that has no negative impact on Education. We hope that this will help to reduce some stress for staff, parents and students in these challenging times."

Nicola Christ, Secretary Treasurer

Delta School District

***The Delta School District is committed to being a leading district for innovative teaching and learner success. Its mission is to enable all learners to succeed and contribute their full potential to the future.***