



Saskatoon Public Schools 2020-2021 Budget Report

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THE BOARD OF EDUCATION

Saskatoon Public Schools is governed by a ten-person elected Board of Education. *The Education Act, 1995* gives the Board of Education the authority to govern the school division.

The school division is organized into ten wards for the purpose of elections, but once elected, the members of the Board of Education represent all students in the division and are committed to providing the very best education possible for each and every student.

The current Board of Education was elected on October 26, 2016 and will serve a four-year term. Board of Education members are:

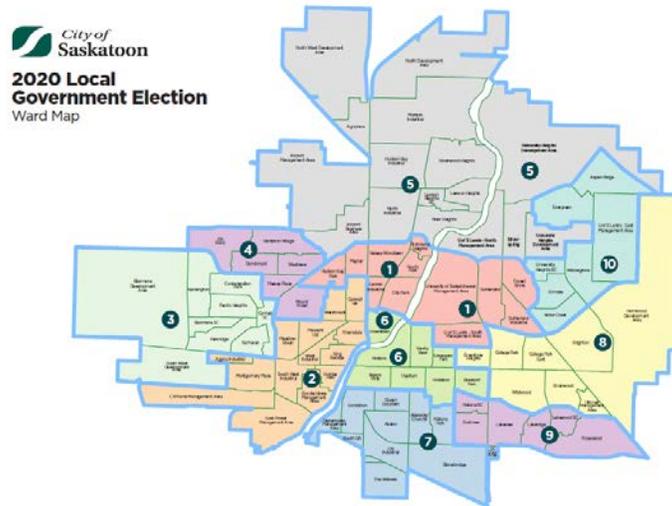


- Ward 1 Holly Kelleher
- Ward 2 Vernon Linklater
- Ward 3 Donna Banks
- Ward 4 Cameron Scott
- Ward 5 Colleen MacPherson
(Board Chair)
- Ward 6 Kathleen Brannen
- Ward 7 Ross Tait
- Ward 8 Suzanne Zwarych
- Ward 9 Charmaine Bellamy
- Ward 10 Ray Morrison

SCHOOL DIVISION PROFILE

Saskatoon Public Schools is located in Saskatoon and also includes Whitecap Dakota First Nation. It is the largest school division in the province, educating over 26,000 students in 48 elementary schools, 10 collegiates, one associate school, one alliance school, one grades 1-12 school, and a variety of off-site educational programs.

The school division is organized into 10 wards for purpose of elections.



Each school is also represented by a School Community Council that works closely with the school administrative team to facilitate parent and community participation in planning and provide advice to the Board of Education, the school's staff, and other agencies involved in the learning and development of students.



SASKATOON PUBLIC SCHOOLS STRATEGIC PLAN

Academic excellence, character, engagement, and well-being of students are at the heart of Saskatoon Public Schools five-year strategic plan. The plan was designed to be a clear vision that would resonate with students, staff, parents and caregivers, and the larger community. The process of developing this new plan included an extensive consultation process with students, staff, parents/caregivers, central office support personnel, school-based administrators, trustees, external partners, and First Nation and Métis organizations. The feedback received focused on preparing students for an evolving world and highlighted the necessary skills, character traits, and knowledge that students will need for their future. That helped identify four student goals: Academic Excellence, Character, Engagement, and Well-Being.

The Board of Education approved a new strategic plan for the school division on June 4, 2019. The new plan is below.

**Saskatoon Public Schools
STRATEGIC PLAN 2019-2024**

OUR VISION
Every Student is
Known • Valued • Believed In

| | | | |
|--|--|--|--|
| ACADEMIC EXCELLENCE Students will achieve success in their learning goals. | CHARACTER Students will demonstrate respect, responsibility, and perseverance. | ENGAGEMENT Students will actively participate in relevant and meaningful learning. | WELL-BEING Students will develop the skills to make healthy choices. |
|--|--|--|--|

OUR COMMITMENT
We will create learning experiences that inspire all students to reach their potential.

**Saskatoon Public Schools
STRATEGIC PLAN 2019-2024**

FULFILLING OUR COMMITMENT

RELATIONSHIPS We will

- foster caring and supportive relationships
- honour diversity
- create welcoming and joyful spaces
- develop and grow community partnerships

EQUITY We will

- be open to all
- maintain high expectations for all
- enact anti-racist/anti-oppressive practices
- pursue a representative workforce

ACCOUNTABILITY We will

- respond to student needs through evidence-based practices
- focus on Indigenous student success
- pursue continuous improvement
- ensure safe, caring, and accepting environments

HIGHLIGHTS OF THE EDUCATION SECTOR STRATEGIC PLAN

Saskatoon Public Schools participates in the development of the Education Sector Strategic Plan as part of the Provincial Leadership Team (PLT). The PLT is comprised of directors of education from the 27 school divisions, First Nation and Métis educational organization representatives, and Ministry of Education personnel. It guides sector planning, implementation, monitoring and reporting processes.

Key elements of the Education Sector Strategic Plan (ESSP) are described below:

Project Plan Outcomes

- By June 30, 2021, 80% of students will be at grade level or above in reading, writing, and mathematics.
- By June 30, 2021, collaboration between First Nation and Métis and non-First Nation and Métis partners will result in significant improvement in First Nation and Metis student engagement and will increase three-year graduation rate from 35% in June 2012 to at least 65% and the five-year graduation to at least 75%.
- By June 30, 2021, Saskatchewan will achieve an 85% three-year graduation rate and a 90% five-year graduation rate.
- By June 30, 2021, children aged 0-6 will be supported in their development to ensure that 90% of students exiting kindergarten are ready for learning in the primary grades.

GOVERNANCE

- A fiscally responsible budget will be established.
- An annual audited financial statement will be presented to the Board.
- The Annual Report will be submitted by the Board to the Minister of Education in accordance with Section 283(1) of *The Education Act*.
- The 2020-2021 budget will be submitted to the Minister of Education in accordance with Section 278(1) of *The Education Act*.
- Saskatoon Public Schools is committed to continuous improvement in processes to ensure we are operating efficiently, effectively and economically.
- Joint partnerships will be sought out when advantageous.
- Relocatables will be used to accommodate enrolment and program growth.
- Initiatives designed to help build a representative workforce will be continued (staff development, cultural competency training, and hiring practices).
- A Balanced Scorecard will be finalized to demonstrate progress towards achieving the Strategic Plan.
- The Board will continue to advocate for a sustainable, properly funded education system to support successful outcomes for students.

BUDGETARY IMPACTS

The March 18, 2020 Provincial Budget increased operating funding by 3.7% or \$8.3 million, with an operating grant of \$238.1 million¹ compared to \$229.8 million in 2019-20.

Saskatoon Public Schools September 2020 projected enrolment is 26,541 students, representing an increase of 176 students or 0.7% compared to September 2019. Please note these projections reflect the removal of an associate school. The year over year enrolment increase in all schools not including the associate school is 477 students or 1.8% compared to September 2019. Student enrolment has increased by 4.4% since September 2017. This significant enrolment increase and the addition of four new schools have added operating costs that were not adequately covered by funding increases over the same time period.

To work towards the outcomes associated with the new Saskatoon Public Schools' Strategic Plan and the Education Sector Strategic Plan, the Board will draw approximately \$2.0 million dollars from operating reserves and \$0.8 million dollars from reserves related to capital debt repayments.

In 2019-20 due to the impacts of COVID-19, reserve balances are expected to grow and the funds available will be used for non-operational items such as capital projects. The Ministry of Education has requested that the Board track COVID-19 related savings and expenditures for reporting purposes.

Major budget additions and reductions for 2020-2021 are outlined below:

- To accommodate enrolment growth and student need, there is an increase of:
 - 29.0 FTE teaching positions. The increase of 29 additional FTE teachers will allow class size ratios to remain at the same levels as in previous years.
 - 40.0 FTE educational assistant positions. The hiring of 40 additional educational assistants represents a 10% increase in that job category and reflects the need to support our most vulnerable learners.
 - 2.0 FTE Caretaking staff positions
 - 1.0 FTE Secretary I position
 - 1.0 FTE Electronics Repair Technician II position
 - 1.0 FTE Cafeteria worker position

¹ Excluding associate schools, debt funding and funding for First Nations, Métis, Education Achievement Fund.

- To balance the budget, the following reductions have been made:
 - 5.0 FTE teachers from discretionary staffing positions
 - 5.0 FTE EAL teachers
 - Central office budget includes a reduction of 1.8 FTE positions
 - Non-salary budgets across the division have been reduced, including school budgets by 10%
 - Facilities operating budget lines have been reduced

With the financial challenges currently experienced by the Saskatoon Public School Division, the focus of our budget priorities will be to allocate available resources to give the school division the best opportunity to achieve the goals outlined in the strategic plan.

FISCAL ISSUES THAT NEED TO BE ADDRESSED WITH THE MINISTRY

1. Ensure adequate funding of the Board's Strategic Plan and to meet the outcomes detailed in the Education Sector Strategic Plan. These priorities will continue to require sufficient funding in future budgets.
2. Advocate for adequate funding from the Ministry of Education in areas with known funding shortfalls including:
 - a. Supports for Learning for students with special needs as well as those with complex needs
 - b. English as an additional language (EAL) supports
 - c. Supports for the elimination of the learning disparity for First Nation, Inuit, and Métis students
 - d. Existing locally negotiated and provincial collective agreements
 - e. Taxation changes including carbon tax and Canada Pension Plan increases
3. The board will advocate that the Ministry of Education finish the work of the provincial funding review committee on funding for intensive needs students.
4. Secure long-term sustainable funding of the capital budget to address the backlog of work identified in the facility audits.
5. Work with our educational partners to identify risks currently being faced in the education sector.
6. Continue to work with our partners in our joint use projects.

FINANCIAL ASSUMPTIONS

The following are the most significant assumptions:

1. The Ministry will approve the 2020-2021 budget as presented.
2. The 2020-2021 budget includes an increase in enrolment of 477 students when comparing the enrolment for September 2019 to the projected enrolment for September 2020.
3. The Federal Government will return a portion of the proceeds collected through the Carbon Tax to help schools take climate action and help lower energy costs. Carbon Tax is included in utilities costs (estimated increase of \$350,000).

FINANCIAL INFORMATION

Statement of Operations

| | Budget 2020-21 | Budget 2019-20 |
|--------------------------|-----------------------|-----------------------|
| <u>Revenues</u> | | |
| Property taxes | \$ - | \$ 200,845 |
| Provincial grants | 247,045,654 | 237,152,498 |
| Tuition and related fees | 1,579,032 | 2,110,235 |
| Complementary services | 5,712,548 | 4,458,674 |
| External services | 4,405,906 | 5,314,272 |
| School generated | 4,955,000 | 4,955,000 |
| Other | 1,570,506 | 1,570,506 |
| Total revenues | \$ 265,268,646 | \$ 255,762,030 |

| | Budget 2020-21 | Budget 2019-20 |
|--------------------------|------------------------|------------------------|
| <u>Expenses</u> | | |
| Governance | \$ 1,025,339 | \$ 722,550 |
| Administration | 6,425,807 | 6,195,410 |
| Instruction | 205,404,147 | 197,375,125 |
| Plant | 42,355,234 | 44,608,436 |
| School generated | 4,955,000 | 4,955,000 |
| Transportation | 6,818,567 | 6,503,739 |
| Tuition and related fees | 391,982 | 391,982 |
| Complementary services | 5,776,453 | 4,240,783 |
| External services | 4,791,185 | 6,265,626 |
| Interest | 337,634 | 385,393 |
| Total expenses | \$ 278,281,350 | \$ 271,644,044 |
| Surplus/(deficit) | \$ (13,012,704) | \$ (15,882,014) |

Cash Flow Requirements

| | Budget 2020-21 | Budget 2019-20 |
|------------------------------------|----------------|----------------|
| Total revenues | 265,268,646 | 255,762,030 |
| Total expenses | 278,281,350 | 271,644,044 |
| Surplus/(deficit) | (13,012,704) | (15,882,014) |
| <i>Tangible capital assets:</i> | | |
| Purchases | (3,670,000) | (6,545,750) |
| <i>Long-term debt:</i> | | |
| Debt issued | - | 4,300,000 |
| Debt repayments | (1,950,461) | (1,537,505) |
| <i>Non-cash items:</i> | | |
| Amortization expense | 13,460,000 | 15,530,000 |
| Employee future benefits expenses | 771,100 | 366,750 |
| <i>Reserves:</i> | | |
| Use capital reserves (note 1) | 1,570,000 | 2,245,750 |
| Use of operating reserves (note 2) | 2,832,065 | 1,522,769 |
| Surplus/deficit | \$ - | \$ - |

Notes:

1. The use of the capital reserves relates to the timing of the projects. Funding for portables will be allocated in 2019-20; however, the work will be completed during 2020-21. Therefore, funding will be drawn from capital reserves.
2. Operating reserves include both internally restricted and unrestricted reserves. The use of operating reserves includes a draw on operating expenditures of \$2.0 million and capital debt repayments of \$0.8 million. The capital debt repayment is expected to be drawn from reserves from COVID-19 savings.

REVENUES

In 2020-2021, revenues are estimated to be \$265.3 million, an increase of 3.7% compared to the previous year's budget.

| | Budget 2020-21 | Budget 2019-20 | \$ Change | % Change |
|-----------------------------------|-----------------------|-----------------------|---------------------|-------------|
| <u>Revenues</u> | | | | |
| Property taxes (note 1) | \$ - | \$ 200,845 | \$ (200,845) | 100.0% |
| Provincial grants (note 2) | \$ 247,045,654 | \$ 237,152,498 | 9,893,156 | 4.2% |
| Tuition and related fees (note 3) | \$ 1,579,032 | \$ 2,110,235 | (531,203) | -25.2% |
| Complementary services (note 4) | \$ 5,712,548 | \$ 4,458,674 | 1,253,874 | 28.1% |
| External services (note 5) | \$ 4,405,906 | \$ 5,314,272 | (908,366) | -17.1% |
| School generated | \$ 4,955,000 | \$ 4,955,000 | - | 0.0% |
| Other | \$ 1,570,506 | \$ 1,570,506 | - | 0.0% |
| Total Revenues | \$ 265,268,646 | \$ 255,762,030 | \$ 9,506,616 | 3.7% |

Notes:

1. Property tax revenues are received from the Treaty Land Entitlement agreement were fully recognized in 2018-19.
2. Increases to the provincial grant funding for education and projected enrolment growth in the division.
3. Tuition and related fees decreased mainly due to changes with the accounts for the alliance school at Whitecap Dakota First Nation (WDFN) which are now included in external services.
4. Complementary services increased mainly due to projected increases for alternate revenues which includes funding from programs such as Jordan's Principle and Early Learning Intensive Supports Pilot.
5. External services decreased due to the removal of an associate school. This is partly offset by increases to projected revenues from foundation donations and the inclusion of tuitions and related fees from WDFN.

EXPENSES

In 2020-2021, expenses are estimated to be \$278.3 million, an increase of 2.4% compared to the previous year's budget.

| | Budget 2020-21 | Budget 2019-20 | \$ Change | % Change |
|---------------------------------|-----------------------|-----------------------|---------------------|-------------|
| <u>Expenses</u> | | | | |
| Governance (note 1) | \$ 1,025,339 | \$ 722,550 | \$ 302,789 | 41.9% |
| Administration (note 2) | \$ 6,425,807 | 6,195,410 | 230,397 | 3.7% |
| Instruction (note 3) | \$ 205,404,147 | 197,375,125 | 8,029,022 | 4.1% |
| Plant (note 4) | \$ 42,355,234 | 44,608,436 | (2,253,202) | -5.1% |
| School generated | \$ 4,955,000 | 4,955,000 | - | 0.0% |
| Transportation (note 5) | \$ 6,818,567 | 6,503,739 | 314,828 | 4.8% |
| Tuition and related fees | \$ 391,982 | 391,982 | - | 0.0% |
| Complementary services (note 6) | \$ 5,776,453 | 4,240,783 | 1,535,670 | 36.2% |
| External services (note 7) | \$ 4,791,185 | 6,265,626 | (1,474,441) | -23.5% |
| Interest/allowances (note 8) | \$ 337,634 | 385,393 | (47,759) | -12.4% |
| Total expenses | \$ 278,281,350 | \$ 271,644,044 | \$ 6,637,306 | 2.4% |

Notes:

1. In 2020-21, the majority of the increases for governance costs are due to the addition of civic elections costs.
2. Administration costs increased due to salary cost increases and benefits. As well, the administration recovery from an associate school agreement is removed.
3. Instruction costs increased due to enrolment increases and student needs. Salary increases reflect the collective bargaining agreement increases of 2% for teachers. Benefits costs increased mainly due to increased staff and Canada Pension Plan rate increases of 5%.
4. Plant costs decreased mainly due to decreased Preventative Maintenance and Renewal funding and a reduction to facilities operating expenses. Amortization budgeted costs also decreased due to the declining balance in asset amortization.
5. Transportation costs increased mainly due to contract cost inflation and cost increases for special education transportation.
6. Complementary services expenses have increased mainly due to projected increases for alternate expenses which includes programs such as Jordan's Principle and Early Learning Intensive Supports Pilot.

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7. External services have decreased mainly due to the removal of an associate school. This is partly offset by increases to foundation expenditures.
8. Interest expense has decreased due to loan balance repayments partly offset by increases for technology capital loans.

SALARIES AND BENEFITS

In 2020-2021, salaries and benefits are expected to cost \$217.3 million, an increase of approximately \$6.3 million or 3.0% compared to the 2019-2020 budget. The increase is due to additional staff being added to the budget for the projected increase in enrolment of approximately 176 students. Salary cost increases of 2% for teachers and 2% for other staff are included in the 2020-21 budget. Canada Pension Plan remittance costs increased by 5% or \$365,000. Staffing reductions were made in certain positions including EAL teachers and central office staff.

CAPITAL EXPENDITURES

The 2020-2021 capital projects will be funded as follows:

| | |
|---|---------------------|
| Capital Reserves (allocations made by the Board and Ministry funding during 2019-20) | \$ 720,000 |
| Allocation to Capital Projects by Saskatoon Public Schools | 850,000 |
| Capital Projects Funded by the Ministry | <u>2,565,000</u> |
| Total Capital Expenditures in 2020-2021 | <u>\$ 4,135,000</u> |

Capital Plan

Source of Funding and Total Cost of Annual and Multi-Year Projects

Facilities department:

Portables:

Centennial Collegiate

Ernest Linder School

City Centre Consolidation project

Subtotal

Other departments:

Technology

Special education - technical aids

Total capital projects - all departments

| Source of Funding | | | |
|---------------------------|--------------------------|----------------------|---------------------|
| Funding from the Ministry | 2019-20 Capital Reserves | Capital Plan 2020-21 | Total Capital Costs |
| - | 720,000 | - | \$ 720,000 |
| 465,000 | | | \$ 465,000 |
| 2,100,000 | | | \$ 2,100,000 |
| \$ 2,565,000 | \$ 720,000 | \$ - | \$ 3,285,000 |
| - | - | 650,000 | 650,000 |
| - | - | 200,000 | 200,000 |
| \$ 2,565,000 | \$ 720,000 | \$ 850,000 | \$ 4,135,000 |

ACTUAL RESERVE FUNDS AND LONG-TERM DEBT

The Board's operating reserves from Unrestricted Accumulated Surplus and Internally Restricted Surpluses totaled approximately \$13.1 million as at August 31, 2019 (compared to \$13.9 million at August 31, 2018).

At August 31, 2019, capital loans of the Board totaled \$9.1 million (compared to \$8.0 million at August 31, 2018):

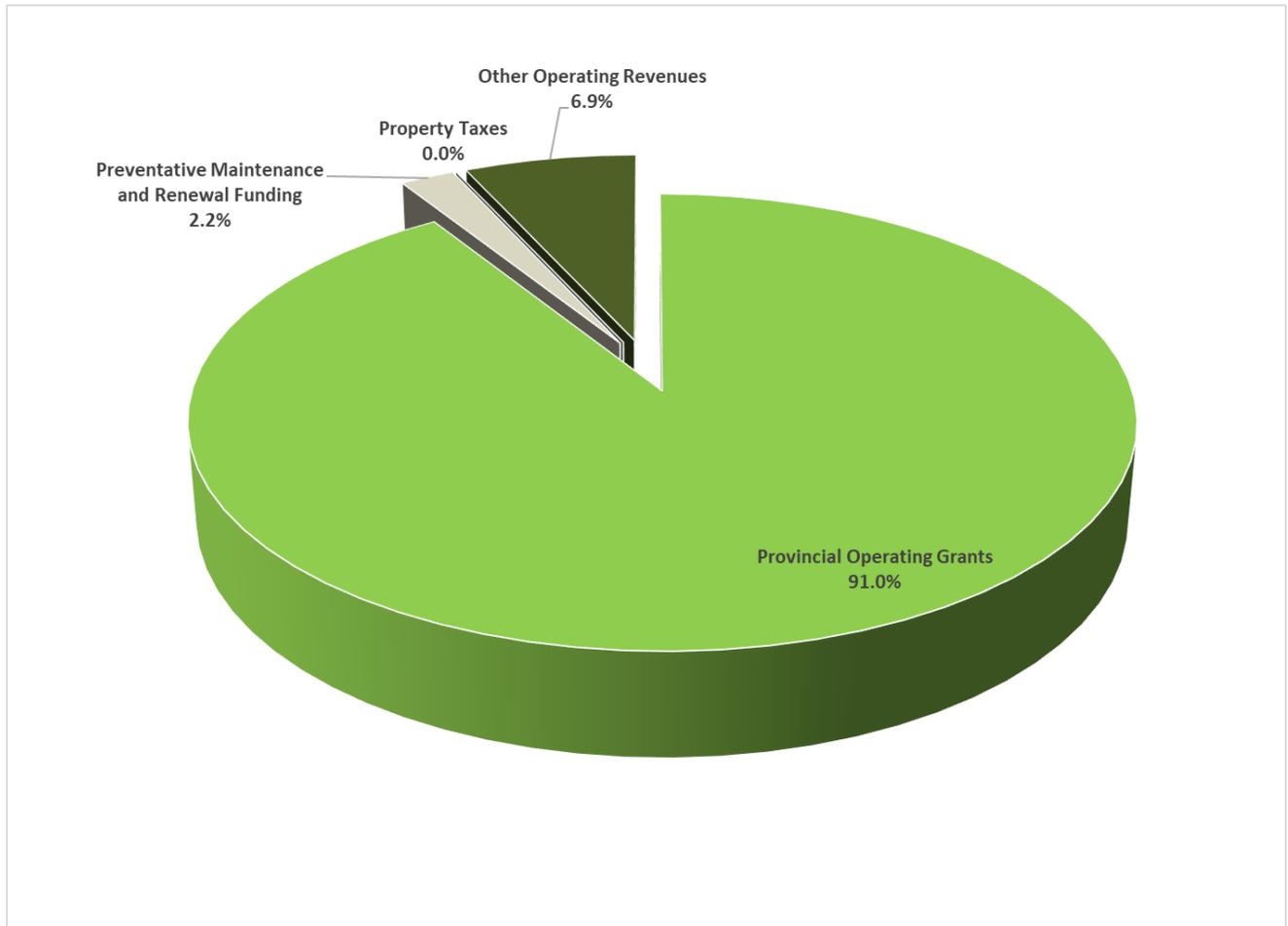
| | |
|---|---------------------|
| Willowgrove School – construction | \$ 5,438,697 |
| City Park Collegiate – repurposing loan | 1,544,028 |
| Technology | 2,106,599 |
| Portables | <u>48,130</u> |
| | <u>\$ 9,137,454</u> |

PROPOSED RESOLUTION

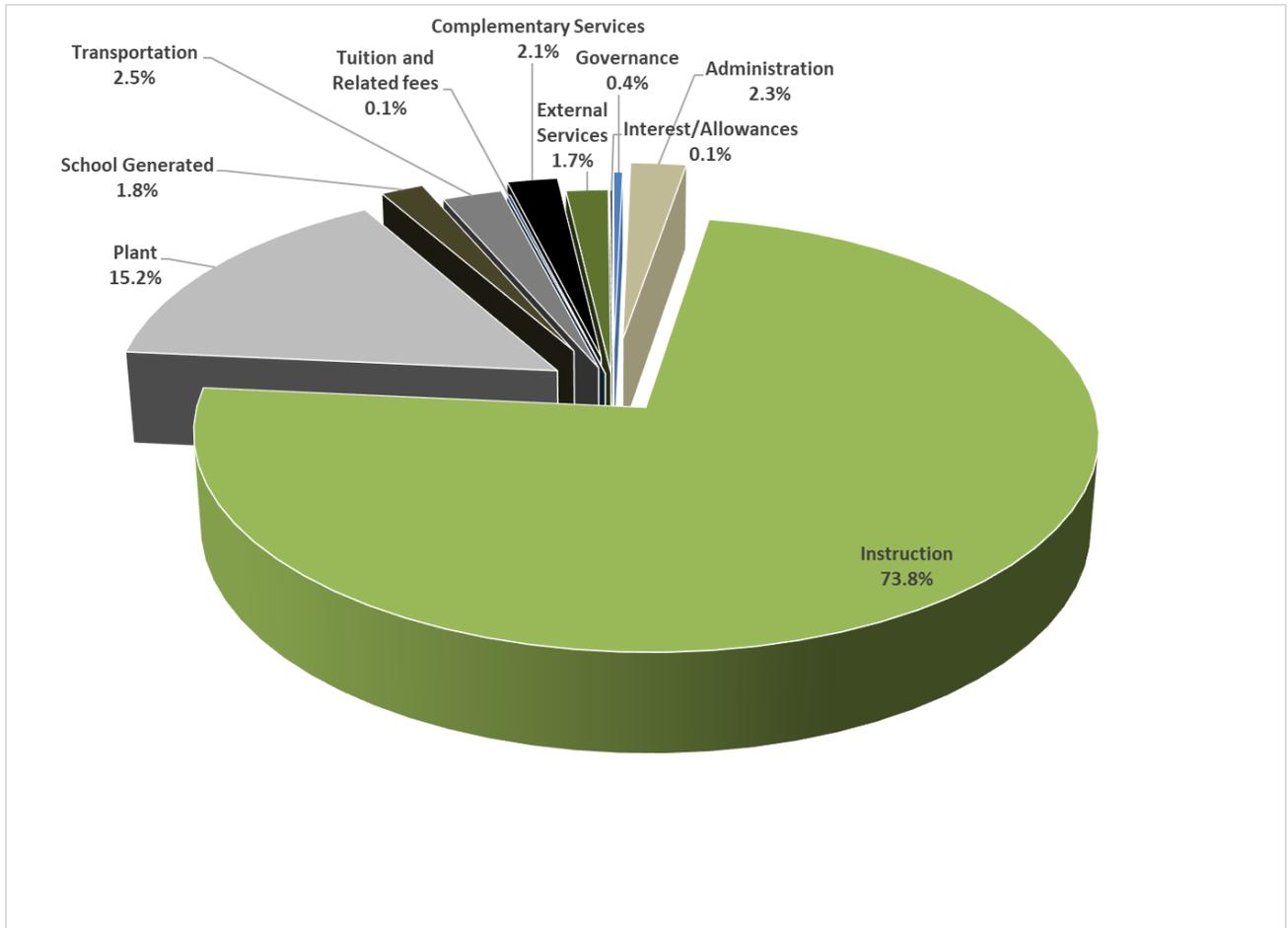
That the Board approve its annual operating and capital budget estimates for the fiscal year September 1, 2020 to August 31, 2021 as detailed in the *Budget Report* September 1, 2020 to August 31, 2021 subject to minor final edits.

APPENDIX – ADDITIONAL FINANCIAL INFORMATION

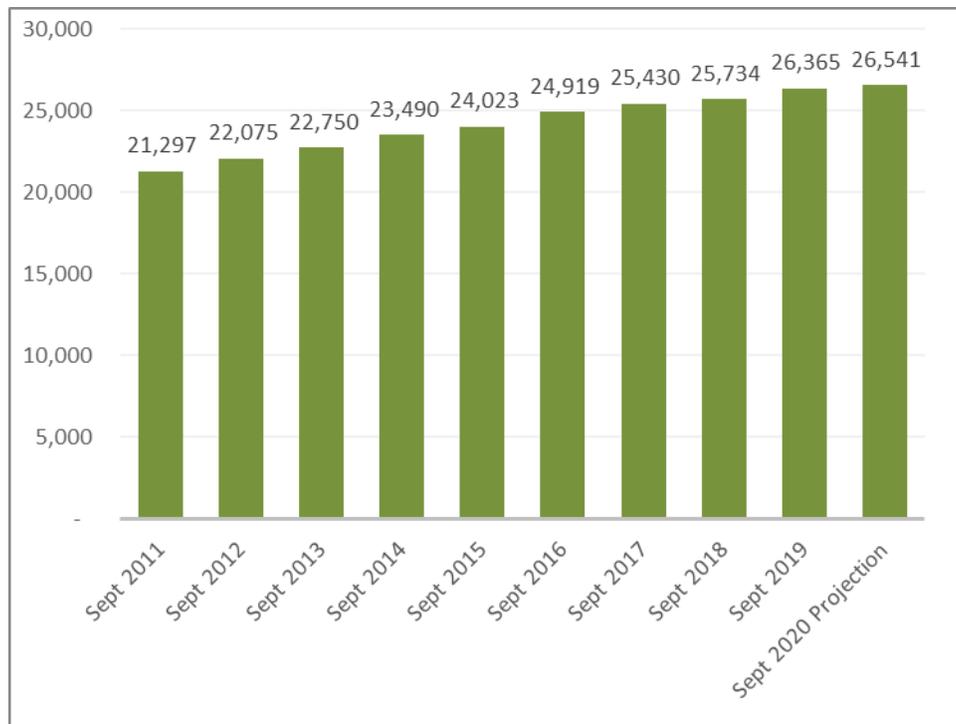
Total Revenue Sources for the Year Ending August 31, 2021



Total Expenses for the Year Ending August 31, 2021



Student Enrolment 2011-2020*



* Enrolment numbers are based on the total number of students, pre-kindergarten to grade 12. Funding is based on student FTE's which is lower than the total enrolment number.