

# Preliminary Budget 2023/24

With Three-Year Financial Plan



New  
Westminster  
Schools

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## 1.0 INTRODUCTION

The following preliminary budget companion guide should be read in conjunction with the 2023/24 Annual Budget of School District No. 40 (New Westminster) (the “District”).

The purpose of the budget companion guide is to provide context and explanations that enhance the reader’s understanding of the District’s annual budget.

The District operates under the authority of the School Act of British Columbia (the “School Act”). In accordance with the School Act, school districts in the province must approve a balanced budget for the upcoming fiscal year and submit it to the Ministry of Education and Child Care (the “Ministry”) by June 30th.

This budget has been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

As required by the Ministry and Public Sector Accounting Standards (“PSAS”), the District tracks and reports revenue and expenditures under three separate funds (operating, special purpose, and capital). Budgets for each of the funds are presented in the schedules of the annual budget.

**Operating Fund:** The operating fund includes operating grants and other revenues used to fund day-to-day operations including instructional programs, school and district administration, facility operations, maintenance, and transportation.

**Special Purpose Fund:** Special purpose funds consist of targeted funding provided to the District by the Ministry and other sources for a specific purpose. Each special purpose fund must be accounted for in accordance with the terms of the funding.

**Capital Fund:** The capital fund includes capital expenditures related to equipment and facility purchases and enhancements. Capital expenditures are primarily funded by the Province of British Columbia, with additional funding provided through locally generated District capital funds, third-party contributors and operating and special purpose funds.

The preparation of the budget companion guide is the responsibility of management.



## 2.0 DISTRICT OVERVIEW

The District recognizes and acknowledges the Qayqayt First Nation, as well as all Coast Salish peoples, on whose traditional and unceded territories we live, we learn, we play and we do our work.

The District services the learning needs of over 7,200 students in the City of New Westminster and employs approximately 1,000 teaching and support staff who are dedicated to supporting student success. The District provides K-12 educational services in 8 elementary schools, 3 middle schools and one secondary school and also provides a number of alternate education programs and programs of choice, including French Immersion, Montessori and an International Baccalaureate program.

### *Our Learning Journey – Strategic Plan*

All decisions made by the Board of Education of School District No. 40 (New Westminster) (the “Board”) are guided by our vision, mission and core values as determined through deep consultation with our stakeholders and community. The District’s initiatives and resources are all aligned to our strategic plan which is built on our foundation to support our commitment in creating a place where students love to learn by enabling each student to learn in a safe, engaging and inclusive environment.

In 2019, the Board approved its 5-year strategic plan, *Our Learning Journey*, which serves as a roadmap grounded in the collective wisdom of our students, staff, parents and community. Across the District, our shared priorities – along with our school-based and department-specific goals and actions – amplify and enhance each other. We are proud to have a consultative model that coordinates budget planning and resource allocation activities with inclusive stakeholder feedback based on the vision, goals and objectives.

#### Vision

A place where students love to learn

#### Mission

To enable each student to learn in a safe, engaging, and inclusive environment

#### Values

##### Collaboration

Purposeful, cooperative relationships to achieve shared goals and consider each other in our decisions and actions

##### Engagement

Meaningful, purposeful, and relevant learning

##### Equity

Fair treatment and the removal of barriers to learning, achievement, and the pursuit of excellence for all

##### Inclusion

Learning where all people are welcomed, respected, and supported

##### Innovation

Curiosity, inquiry, and creativity

##### Integrity

Ethical, principled, and honest in our words and actions

Collectively, we, as a learning community are committed to following our strategic priorities of *Transforming the student experience, Building meaningful relationships, Leading into our future and Ensuring full participation in learning.*



### 3.0 BUDGET PROCESS AND CONSULTATION

We strive to ensure that budget input and resource allocations are connected to and aligned with our strategic plan. This model is an integral part of the District's operating culture. All budget decisions made by the District are guided by our vision, mission and core values and specifically guided by the following principles:

- **Alignment to our strategic plan** – priorities implemented must be aligned with the District's strategic directions;
- **Fiscally responsible** – proposed changes reflect prudent spending and balance new priorities with identified efficiencies;
- **Maximize returns** – priorities implemented must balance results and investments to maximize returns on student learning outcomes; and
- **Future oriented** – proposed changes are thoughtful and stand the test of time rather than being reactionary in nature.

In order to achieve these principles, we remain committed to the following as part of our budget process:

- providing timely and accurate budget information;
- receiving budget input and feedback;
- prioritizing budget requests for the upcoming budget year;
- allocating available resources to best meet requests that align with the strategic plan; and
- communicating the outcomes effectively for transparent accountability.

The consultation process has been a two-way dialogue between the Board and its stakeholders to define priorities for the future. It has allowed for valuable input into the District's direction and decision making. The following represent the various means the District employs to connect with our stakeholder who include the New Westminster's Teacher's Union, CUPE 409, Principal and Vice Principals Association, District Parent Advisory Committee, Student Voice and the Indigenous Advisory Committee:

- Two-week budget survey
- One-on-one consultation with stakeholder groups and Board of Education
- Stakeholder submission and presentation at the April Board meeting
- Student symposium
- Email address for dedicated budget feedback
- President's council meeting
- DPAC meeting attendance
- School newsletter and social media notification to encourage participation in the budget process

The consultations and feedback we seek are based on the priorities that are identified by our leadership team which are driven off the strategic plan but informed and prioritized through ongoing work throughout the year with stakeholders. These lead to more focused



consultations during our engagement process to further gather relevant input on how the suggested priorities resonate with stakeholders. The feedback gathered is compiled and as necessary, the proposed budget and strategies for the upcoming year are accepted or modified accordingly prior to the Superintendent Recommendations presented to the Board regarding the upcoming years' budget.

The table below provides the budget process for the 2023/24 year and the various opportunities for stakeholder engagement. There are multiple avenues to interact and share feedback in advance of the Board's approval of the preliminary budget.

January 31, 2023	Approval of the 2023/24 budget process
February 15, 2023	Submission of three-year enrolment to Ministry
February 21, 2023	Approval of the 2022/23 amended budget
March 15, 2023	Ministry funding announcement for 2023/24
April 11 – 21, 2023	Budget survey and one-on-one consultation with stakeholders (CUPE, DPAC, New Westminster P/VP Association, New Westminster Teachers' Union ("NWTU"), Student Voice, Indigenous Education Advisory Council)
April 25, 2023	Presentation of survey results and stakeholder submission presentations
May 2, 2023	Superintendent budget recommendations for 2023/24
May 2, 2023	Complete 1 <sup>st</sup> and 2 <sup>nd</sup> reading of budget bylaw
June 6, 2023	Complete 3 <sup>rd</sup> and final reading of budget bylaw

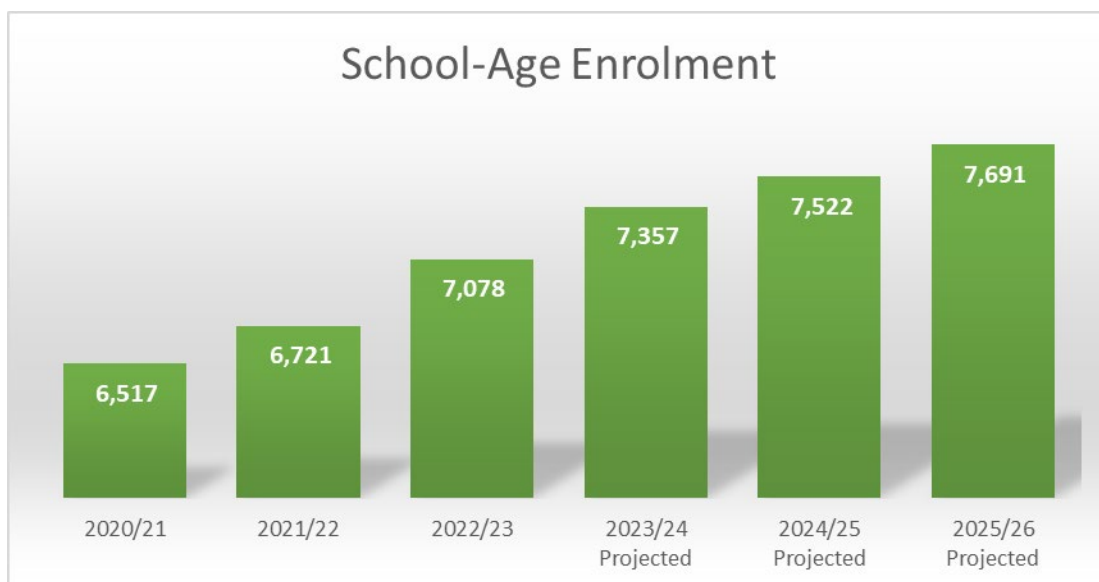
## 4.0 STUDENT ENROLMENT

The District is funded primarily through an operating grant received from the Ministry. The operating grant is based on student enrolment which is compiled through a data collection process called 1701 in September, February, May and July. The District receives a fixed amount per full-time equivalent (“FTE”) student. The District also receives supplementary grants for students who are identified as having unique needs and for other demographic and geographic factors.

District staffing levels are driven directly by student enrolment. Since salaries and benefits make up approximately 92 percent of the District’s operating expenses, reliable enrolment data is essential for financial planning. Each year the District completes an analysis of historical enrolment and student retention trends and reviews population data and new municipal development approvals to develop an estimate of elementary, middle and secondary student FTE for the ensuing three budget years.

Enrolment has been increasing at a steady rate over the past five years and the trend is expected to continue. An increase of 288 FTE (4%) is projected for 2023/24.

The enrolment information presented below is school-age enrolment as of September each year and includes standard K-12 enrolment, continuing education, alternate schools and online learning.



Tied to enrolment is the capacity constraints on our facilities to accommodate enrolment growth. We are currently in the design phase of the 13-classroom addition for Queen Elizabeth Elementary in Queensborough. In the Spring of 2022, the District received notice from the Ministry acknowledging the needs for a 500-student capacity elementary school in the Fraser River Zone. In the Spring of 2023, the Ministry acknowledged the need for a new middle school site in the west end of New Westminster. Refer to Section 7.0 for more details on current capital projects supported by the Provincial government.

## 5.0 OPERATING FUND BUDGET

The three-year financial plan for the operating fund budget is included in section 5.7.

Overall, the operating fund base budget for the next three years is estimated to be in a surplus. For the 2023/24 school year, the base budget surplus is budgeted at \$643,182, followed by surpluses of \$489,000 in 2024/25 and \$488,000 in 2025/26. The main factor contributing to the decline in surplus balance subsequent to the 2023/24 school year is the District's capacity pressures resulting from projected enrolment growth over these years and the need to purchase portables with operating dollars.

The base budget makes the following assumptions/adjustments:

- Grant revenue is increased to align with enrolment projections in each year;
- Per-student funding rates and supplemental funding for unique students and unique factors is adjusted for 2023/24 rates and assumed to stay consistent in future years;
- International revenue remains consistent with the FTE levels seen in the 2022/23 year;
- Teacher and Education Assistant ("EA") increases in staffing are based on estimated student enrolment projections in each year;
- Collective agreement wage increases and related funding are incorporated for each year;
- Increases for principals, vice principals and exempt staff is included and assumed to be consistent with collective agreement increases in each year (funding is confirmed for the 2023/24 school year however it is not confirmed and therefore not included for the 2024/25 or 2025/26 school years);
- Expected increases to the District's share of benefit premiums are factored in each year;
- Reallocation of costs due to new funding from the Province (ie. Feeding Futures Fund introduced by the Province for the 2023/24 school year)
- Portables funded from operating funds to accommodate enrolment growth are estimated based on the projected student enrolment in each year;
- One-time savings and surplus asks from the previous year are reversed; and
- Inflation

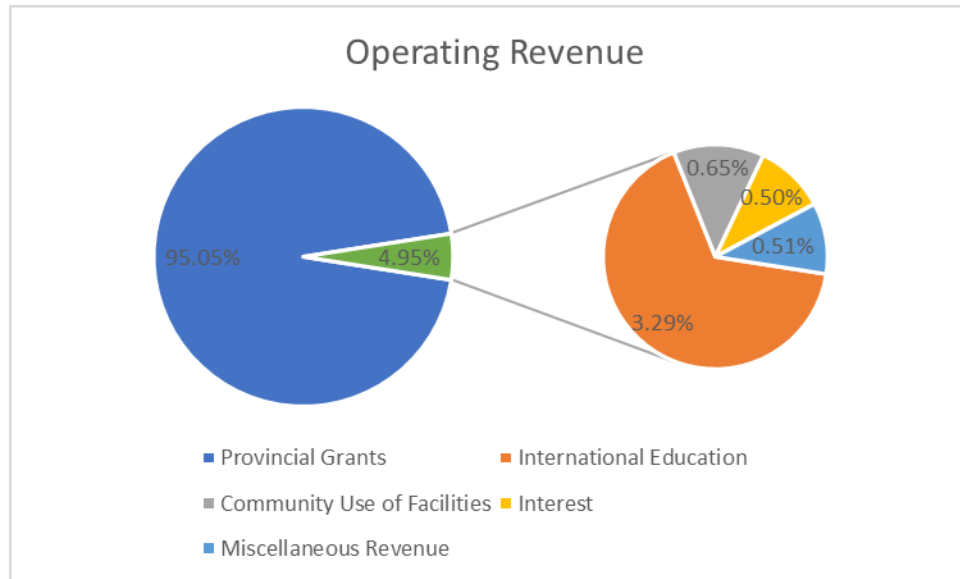




## 5.1 Operating Fund Revenue

The District receives the majority of its revenue from the B.C. provincial government, through the Ministry. Any changes to provincial grants will consequently have a significant impact on the District's budget.

The District's budgeted operating revenue for 2023/24 is presented as below.



### *Provincial Grants*

Operating grant revenue is based on the preliminary operating grants announced by the Ministry on March 15, 2023. The District anticipates receiving a lift in operating grant revenue of \$9.17 million for 2023/24. \$2.56 million of this increase is due to enrolment growth and \$6.61 million is due to an increase in the per student funding rates as determined by the Ministry. The per student funding rate increase includes amounts for labour settlement funding.

### *International Education*

A recovery of the international education program was seen in the 2022/23 school year and planned FTE levels for the 2023/24 school year are expected to remain consistent. Revenue from the international education program is not expected to change significantly for the next three years. The majority of these students will be attending New Westminster Secondary School ("NWSS").

## 5.2 Operating Fund Expenses

The most significant portion of the District's expenses is salaries and benefits, which comprise 92% of the District's operating budget. The remaining 8% goes to services and supplies.

### *Salaries and Benefits*

	2021/22 Actual	2022/23 Amended Budget	2023/24 Preliminary Budget
Teachers	32,186,186	34,333,640	37,847,365
Principals and Vice Principals	3,941,539	4,151,983	4,247,743
Educational Assistants	6,697,184	7,279,786	8,298,096
Support Staff	5,613,429	6,010,812	6,628,843
Other Professionals	3,018,424	2,899,863	3,158,634
Substitutes	2,096,053	2,760,502	2,994,943
<b>Total Salaries</b>	<b>53,552,815</b>	<b>57,436,586</b>	<b>63,175,624</b>
Employee Benefits	12,957,978	14,030,317	15,474,118
<b>Total Salaries and Benefits</b>	<b>66,510,793</b>	<b>71,466,903</b>	<b>78,649,742</b>

In the 2023/24 school year, salaries and benefits are estimated to increase by \$7.2 million due to enrolment growth, wage increases for unionized and exempt employees, increases in benefit costs and new priorities supported in the 2023/24 school year (see Section 5.5).

It is estimated that an additional 15 FTE teachers and 5 FTE EAs will be required to support increased enrolment in 2023/24. The incremental cost is \$2.15 million.

Benefit costs are estimated to increase by \$150,000 as a result of increases in extended health and dental plan coverage and rates.

Salaries and benefits expense in 2024/25 and 2025/26 are estimated based on the following assumptions:

- Increases to FTE for teachers, EAs and TTOCs for enrolment growth is based off of the three-year enrolment submission to the Ministry on February 15, 2023 and current ratio allocations;
- Wage increases for teachers and support staff will be fully funded by the Province. For 2024/25, an increase of 2% has been included based on the current negotiated collective agreements. A 2% increase has been assumed for 2025/26;
- Wage increases for non-unionized staff are assumed to be consistent with the collective agreement wage increases however it is assumed that they will only be funded by the Province in the 2023/24 school year therefore no corresponding revenue has been included for 2024/25 and 2025/26; and
- Cost increases for employee benefit plan rates will not be provincially funded.

*Staffing*

	21/22		22/23		Projected	23/24
	2021/22 FTE	Student to Staff Ratio	2022/23 FTE	Student to Staff Ratio	2023/24 FTE	Student to Staff Ratio
Teachers	428.2	16.2	445.3	15.9	461.5	15.9
Principals/VPs - Admin	22.0	315.3	23.0	307.7	23.0	319.9
Principals/VPs - Teaching	8.0	867.1	8.0	884.7	7.0	1,051.1
Other Professionals	27.0	256.9	25.0	283.1	25.0	294.3
Education Assistants	189.9	36.5	200.4	35.3	205.4	35.8
Support Staff	137.6	50.4	141.1	50.2	146.8	50.1
Trustees	7.0	991.0	7.0	1,011.1	7.0	1,051.1
Total	819.7	8.5	849.8	8.3	875.7	8.4

*Services and Supplies*

In 2023/24, services and supplies budgets have been increased to reflect cost increases for contracted services and supplies and new priorities supported in the 2023/24 school year (see section 5.5). Projections for 2024/25 and 2025/26 assume there will be CPI inflation for services and supplies of 2%. No changes to service levels and existing budget allocations are contemplated in these projections.

### **5.3 Base Budget Unfunded Costs and Cost Pressures**

The Ministry does not fund all costs related to our education system. These costs which are downloaded to Districts must be absorbed within operating budgets. The following highlights some unfunded pressures the District faces for the upcoming year, which are reflected in the base budget.

#### *Inflation*

Early in the 2023 calendar year, Canada's annual inflation rate was over 5%. Although the last couple months have seen a decrease from this rate, inflation is expected to remain above the historic rate that we have seen for inflation over the last decade of about 2%. This increase in inflation is reducing the purchasing power of Districts, specifically schools and departments, in carrying out their work when purchasing services and supplies. In years past, inflation has not been a significant factor to adjust for, however, under the current year circumstances, management has adjusted service and supply budgets by 3% to help offset the decrease to purchasing power. This represents an unfunded cost of approximately \$93,000.

#### *Exempt Staff Wages*

BC Public School Employers' Association ("BCPSEA") has provided salary grids to school districts across the province that are utilized to establish rates of pay across the education sector. The 2022/23 school year was the first year where exempt staff (Managers and Principals and Vice-Principals) wage increases were funded by the Province. Funding for the 2023/24 school year has been confirmed and reflected as revenue in the preliminary budget however there is no confirmation of future years funding. The exempt staff wage increase has been budgeted at 6.75%, consistent with collective agreement wage increases. As part of the multi-year financial plan, an increase of 2% has been budgeted in future years to represent the unfunded wage increase for exempt staff, as there is no certainty on whether the funding will continue.

#### *Portables*

We continue to see significant enrolment growth across the District. Nearly all schools are at or over their capacity limits. Until a new school is built to create capacity, the District must fund the purchase of portables through its operational dollars. This represents costs of \$250,000 for the 2023/24 school year. An additional amount of \$400,000 per year has also been included in the multi-year financial plan given increasing costs and the District's anticipated requirements for additional capacity through portables.

**5.4 Efficiencies Supported in the 2023/24 School Year**

Given the District’s decreasing accumulated surplus balance and Board Policy 19 around contingency reserves (see section 5.6), the fiscally responsible action is to identify areas of ongoing efficiencies. Reliance on balancing budgets solely through the use of reserves cannot be sustained over the long run. To that end, the following ongoing efficiencies have been identified:

Efficiency Identified	Total (\$)
Innovation grants	\$51,000
Pro-D and release time	\$40,000
District level services/supplies	\$18,000
Music facilitator (0.143 FTE)	\$15,730
District Office Restructuring	\$116,148
<b>Total Efficiencies Identified</b>	<b>\$240,878</b>

## **5.5 Priorities Supported in the 2023/24 School Year**

The 2023/24 budget builds upon and intensifies existing priorities to address the main themes we heard through extensive stakeholder consultations. Feedback received from multiple methods of budget consultation confirms the priorities of continuing to support the school learning environment by decreasing the impact of absences and increasing inclusive education and social-emotional supports. Other priorities identified by stakeholder groups and supported in the 2023/24 budget include Indigenous education curriculum supports, safety and supervision and resources to support our growing school populations.

Changes to and reallocations within the base budget have created space for some priorities to be operationalized within the 2023/24 base budget. These are discussed below.

### *Speech Language Pathologist*

This is a position that is not driven by ratio however because of the increase in enrolment, the District supports a 1.0 FTE speech language pathologist with an investment of \$110,000.

### *Indigenous Curriculum Staffing and Indigenous Resources*

As part of the Province's commitment to truth, reconciliation, and anti-racism, the Ministry implemented an Indigenous-focused graduation requirement for students working toward a B.C. Certificate of Graduation (Dogwood Diploma). Effective for the 2023/24 school year, all students must successfully complete 4 credits of Indigenous focused coursework. In order to support the District's staff in this implementation, and consistent with feedback heard during budget consultations, the base budget supports an additional investment of \$55,000 for 0.5 FTE Indigenous curriculum staffing and Indigenous resources, bringing the Indigenous curriculum teaching support to 1.0 for the upcoming year.

Additionally, for the 2023/24 school year, the District anticipates enrolment of 300 FTE Indigenous students. The targeted funding provided to the District by the Ministry is \$513,000. The preliminary budget allocates \$609,021 which is over and above the targeted funding by \$96,021. This budget continues to support the priorities operationalized in the prior year, including an indigenous education support worker position and the indigenizing of spaces, which is of great importance to our schools and a sentiment echoed by our Indigenous Advisory Committee.



### *Contingency EA Staffing*

In the prior year, a significant investment of \$150,000 was made into the base budget for contingency EA staffing which proved to be very effective. This was to address students with special needs that come to our District throughout the school year, many of whom come without designation and as a result, no funding. To ensure we created consistency and support for these students in the classroom, we budgeted for additional EAs to deploy as needed throughout the school year. The District continues to support this contingency EA staffing in the 2023/24 base budget.

### *Climate Action*

Also in the prior year, passionate presentations from students about the need for climate action to be further infused into the curriculum led to more focused work at our high school to come up with specific ways climate action may be embedded in student work and activity to enhance this learning. The work got underway in the 2022/23 school year and the District will maintain the 1 block climate action curriculum facilitator staffing for the 2023/24 school year.

### *Diversity, Equity and Inclusion*

In the 2022/23 budget, the District allocated \$30,000 over three years to advance the District's work on Diversity, Equity and Inclusion. This is year 2 of the investment and work will continue to transform the District in this space.

### *Safety and Wellness*

An important priority for the District and stakeholder groups continues to be health and well-being. Connected to this is safety and wellness supports. Over the past year, the District has done a lot of work to grow our team of counsellors and child youth care workers. Work in 2023/24 will be around team alignment and developing the wellness teams within schools. Additionally, there will be continued support for sexual health and consent education, including involving students as ambassadors and working with their peers, and violence prevention and assertiveness (safe teen program).



The following table details additional, equally important priorities, supported in the 2023/24 preliminary budget.

Priority Identified	Ongoing (\$)	One Time (\$)	Total (\$)
Priority EAs and TTOCs (5 of each)	\$135,270		\$135,270
VP time increase (0.2 FTE)	\$22,000		\$22,000
Counselling increase (1.0 FTE)	\$77,000		\$77,000
Additional supervision at NWSS	\$91,589		\$91,589
EA lunch relief and supervision (4 hour) – 6 sites	\$177,594		\$177,594
Second Secondary Principal (dual P model at NWSS)	\$194,475		\$194,475
Director of Secondary Programs Restructure (savings)	-\$105,200		-\$105,200
NWSS school privacy and safety upgrades		\$55,000	\$55,000
Comms web upgrade	\$15,000		\$15,000
Maintenance equipment – tools		\$35,000	\$35,000
Capital plan savings	\$150,000		\$150,000
After school child care	\$21,552		\$21,552
<b>Total Requests Supported</b>	<b>\$779,280</b>	<b>\$90,000</b>	<b>\$869,280</b>

### *Teaching, Learning and Safety and Well-being*

In the 2022/23 school year, the base budget included a significant investment of \$500,000 for replacements. This investment allowed the District the ability to deploy 10 priority EA and 10 priority TTOC staff to ensure more consistent coverage when higher rates of absences were experienced. Overwhelming feedback was received on the difference this made within our schools to mitigate unfilled absences therefore the prior year strategy will continue along with an additional investment for the 2023/24 school year of 5 additional priority EAs and 5 additional priority TTOCs to help address the consistently high level of absences observed. The cost of \$135,270 represents the additional benefit costs associated to these priority positions.



To support the school environment and rapidly increasing enrolment at one of our biggest elementary schools, we have increased administration by 0.2 FTE at Lord Kelvin Elementary. This cost of \$22,000 represents a 0.2 FTE teacher backfill of staffing.

NWSS, the District's only secondary school and one of the largest in the Province, continues to grow quickly. The school runs a wide variety of programs, including French, International Baccalaureate, and trades, which are typically sprinkled across many secondary schools in other districts. A new leadership model, including some administrative restructuring and the addition of a Director of Secondary Programs, will support the expanding work at NWSS in an efficient and manageable way, with a net cost of \$89,275.

Based on our budget survey and overall feedback from our leadership team, mental health and well-being continue to be a top priority raised by all as we move into 2023/24. To that end, an additional 1.0 FTE counselling position (incremental cost of \$77,000) has been added to provide additional counselling supports. This increases District counselling time to 18 FTE for 2023/24, which continues to be above the Ministry required ratio of 1:535.

Well-being also includes safety and supervision of our growing secondary school for an investment of \$91,589. Two, 4-hour noon hour supervisor positions and two, 6-hour youth care workers at NWSS have been included in the budget, which allows for more uniform supervision over the course of the day. Equally as important is the District's commitment to training of existing and new supervisors so that they have the skillsets necessary to effectively monitor student activity.

On February 7, 2023, Student Voice presented the results of the 2022/23 Student Voice Fall Survey at the Education Policy and Planning Committee Meeting. Of the 615 responses, 81% of surveyed students felt a sense of belonging at school, while 75% felt safe. The District is committed to improving these results. One of the ways identified to help students' sense of belonging and safety at school is through the 2023/24 budget and a one-time investment of \$55,000, grounded in feedback received. Two of the reasons provided in the student survey for not feeling safe at school included lack of privacy in classrooms and safety procedures related to dangerous school incidents. This investment will address concerns raised by adding privacy frosting to classrooms, without compromising the visible learning environment, and motorizing the current blinds in classrooms designated as safe rooms, for the 2023/34 school year.

### *Supervision and Support*

Through the budget consultation process, we heard from our school sites the challenges faced around scheduling breaks for EAs during the middle of the day while still maintaining appropriate coverage and supports for students. The cost of \$177,594 looks to address these challenges by adding 4 hours per day of EA time to 6 of the District's 11 elementary and middle school sites. These additional EA hours are to assist in appropriate coverage when current EA staff are on breaks.



*Technology*

Technology continues to be identified by nearly all stakeholders as a priority area. The District’s technology steering committee has outlined a plan to continue hardware refresh cycles, replace student devices at end of life and update classroom tools as necessary. There are no additional investments required at this time to carry out the refresh as the budget currently allocated is sufficient.

*Department Supports*

As the function of Human Resources, Finance, Facilities and Communications go to support over 7,000 students and over 1,000 employees, these teams also require resources to carry out their work in supporting the strategic directions of the District. To that end, we have allocated \$35,000 on a one-time basis to Facilities and \$15,000 to Communications on an on-going basis to support this work.

*Capital Plan Savings*

The Board has approved an annual allocation of \$150,000 to the local capital fund which is the District’s locally generated savings for capital items not funded by the Ministry. Savings in the local capital fund allow the District to address long term capacity needs and make strategic purchases or investments as opportunities arise and are consistent with the District’s long range facilities plan.

*Child Care*

In April 2022, responsibility for child care transitioned to the Ministry. The District is committed to providing quality, affordable child care in our schools that is grounded in the BC Early Learning Framework. This budget supports 24 additional after school care spaces on school grounds for September through June at a net cost of \$21,552. The proposal is for staff to continue its work to investigate the after-school care strategy with input from stakeholders with the intent to offer additional programming for January 2024.

## 5.6 Contingency Reserve

The Board is responsible to protect the District from extraordinary financial items which would negatively disrupt District operations and the continuity of learning for students. To mitigate these risk areas, the Board maintains a contingency reserve from its available accumulated operating surplus.

Per Board Policy 19, the contingency reserve shall be at least 2% of operating expenses. The District's level of contingency reserve for planning purposes is \$2 million. It is anticipated by the end of the 2022/23 school year that the accumulated operating surplus will be \$2.5 million. The difference between the expected accumulated surplus balance of \$2.5 million and the \$2 million contingency reserve represents amounts available to support planning for operations spanning future school years, anticipated unusual expenses identified by the Board and/or expenses which must be reserved due to the nature of constraints on the funds.

## 5.7 Operating Budget - Three-Year Financial Plan

Below is a three-year projection of the operating fund revenue and expenses by object. This projection is based on factors known to the District at the time and contains assumptions that the District will maintain current service levels and programs. Assumptions made in building the three-year financial plan are included in the respective areas of Section 5.0 and also include the following:

- Projected changes to revenue and staffing due to changes in enrolment;
- Estimated changes to employee salaries and benefits;
- Estimated changes to services and supplies due to inflation; and
- Adjustments for ongoing and/or one-time revenue or expense items included in the prior year budget.

After factoring efficiencies and priorities into the base budget, the District is estimating a surplus of \$14,782. Projections show that this will be followed by budget deficits of approximately \$50,000 for 2024/25, and \$22,000 for 2025/26.

(in thousands)	2021/22 Actual	2022/23 Amended Budget	2023/24 Preliminary Budget	2024/25 Projection	2025/26 Projection
<b>Provincial Grants - Ministry of Education</b>					
Operating Grant, Ministry of Education	68,063	70,664	79,834	84,215	87,383
Other Ministry of Education Grants	871	3,654	2,270	875	875
<b>Provincial Grants - Other</b>	<b>83</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>
<b>Other Revenue</b>					
Continuing Education and Summer School Fees	5	3	3	3	3
International and Out of Province Students	2,221	2,871	2,844	2,844	2,844
Instructional Cafeteria Revenue	179	200	200	200	200
Miscellaneous	110	278	116	116	116
Rentals and Leases	320	590	560	560	560
Investment Income	156	415	435	435	435
<b>TOTAL OPERATING REVENUE</b>	<b>72,008</b>	<b>78,744</b>	<b>86,331</b>	<b>89,317</b>	<b>92,485</b>
<b>Operating Expenses</b>					
Salaries and Benefits	66,511	71,467	78,072	80,927	83,960
Services and Supplies	5,863	6,689	6,815	6,951	7,088
<b>TOTAL OPERATING EXPENSES</b>	<b>72,374</b>	<b>78,156</b>	<b>84,887</b>	<b>87,878</b>	<b>91,048</b>
<b>Capital Purchases and Other</b>	<b>-1,476</b>	<b>-1,152</b>	<b>-800</b>	<b>-950</b>	<b>-950</b>
<b>Surplus (Deficit), for the year</b>	<b>-1,842</b>	<b>-564</b>	<b>644</b>	<b>489</b>	<b>487</b>
<b>Efficiencies</b>					
Ongoing Efficiencies			240	240	240
	-1,842	-564	884	729	727
<b>Requests</b>					
Ongoing Priorities			-629	-629	-599
One-Time Priorities			-90		
Local Capital Transfer			-150	-150	-150
Use of Prior Year Appropriated Surplus to balance budget	1,842	564	0	50	22
<b>Total Operating Surplus (Deficit), for the year</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>0</b>
<b>Operating Surplus (Deficit), beginning of year</b>					
Operating Surplus (Deficit), beginning of year	4,924	3,082	2,518	2,533	2,483
Use of Prior Year Appropriated Surplus to balance budget	-1,842	-564	0	-50	-22
<b>Operating Surplus (Deficit), end of year</b>	<b>3,082</b>	<b>2,518</b>	<b>2,533</b>	<b>2,483</b>	<b>2,461</b>

## 6.0 SPECIAL PURPOSE FUND

The special purpose fund is comprised of separate funds established to track revenue and expenditures received from the Ministry and other sources that have restrictions on how they may be spent and are therefore not available for use in the operating fund. Amounts are deferred when received and recognized as revenue when the related expenditures are incurred. The District has budgeted special purpose funding for 2023/24 relating to the following funds:

- Annual Facility Grant
- Apprentice Program
- Changing Results for Young Children
- Classroom Enhancement Fund (“CEF”)
- Community LINK
- Early Care and Learning (“ECL”)
- Feeding Futures Fund
- Just B4
- Learning Improvement Fund (“LIF”)
- Official Languages in Education French Programs
- Mental Health in Schools
- Ready, Set, Learn
- Seamless Day Kindergarten
- Scholarships and Bursaries
- School Generated Funds
- Strong Start
- Student and Family Affordability

The following represents a few highlights of the work that is funded from these special programs:

### *Student and Family Affordability*

The Student and Family Affordability fund was one-time funding announced by the Ministry in August 2022 for the 2022/23 school year to help families struggling with the rising costs of living due to global inflation.

The District received funding of \$697,152 in 2022/23. These funds were used to offset the costs of school supplies and fieldtrips for families and to expand school meal programs. It is anticipated there will be approximately \$150,000 of these funds remaining at the end of the 2022/23 school year and carried forward to the 2023/24 school year to continue to help families with rising costs of living.



### *Feeding Futures Fund*

Announced by the Ministry in early 2023, the Feeding Futures Fund will create and expand local school food programs so that more children and youth have access to healthy meals and snacks at school.

Funding has been approved for the next three years and for 2023/24, the District will receive \$826,518. The District will build on the progress made with the Student and Family Affordability funding in 2022/23 and a significant portion of this funding will be used for meal subsidies to ensure students that require it, have access to stigma-free lunches.

### *Early Learning and Child Care*

Responsibility for child care transitioned to the Ministry in April 2022 and as part of creating an integrated early learning and child care (“ELCC”) system, the Province is providing \$175,000 of funding to the District to complete an environmental scan of existing ELCC on school grounds and to engage more deeply in ELCC work by establishing and strengthening relationships with key stakeholder groups and planning to expand access to affordable, quality child care on school grounds. A 1.0 FTE Manager of Early Learning and Child Care position has been created to engage in this work.

### *Classroom Enhancement Fund*

This funding relates to the ratification of the Memorandum of Agreement pursuant to the Letter of Understanding No.17, to the 2013-2019 BCPSEA-BCTF Provincial Collective Agreement that resolves all matters related to the implementation of the Supreme Court of Canada decision from the fall of 2016. This fund was established to address the additional teacher and corresponding overhead costs throughout the Province associated with the memorandum.

For 2023/24, the District has been provided a preliminary CEF allocation of \$6,869,090 to fund 55.5 FTE teachers and \$408,298 in overhead funding. Adjustments to the District’s allocations may be made once the final fall 2023 staffing is known.

### *Community LINK*

This funding is designed to support the academic achievement and social functioning of vulnerable students. Total funding for 2023/24 will be \$1,700,863 and is expected to remain unchanged for future years.

For the upcoming year, the District continues to invest in social-emotional supports for vulnerable learners with 13 FTE Youth Care Workers and 4.5 FTE counselling staff. Community LINK funds previously used for meal subsidies will now be funded through the new Feeding Futures Fund (see above) which allows for an additional investment of a 1.0 FTE speech language pathologist and 0.5 FTE Indigenous curriculum staffing in the 2023/24 school year.

### *Learning Improvement Fund*

This fund was established by the Province for the purpose of providing additional resources, specifically targeted to support complex classes that present challenging learning conditions. The 2023/24 funding of \$302,183 is used for increased hours of work for EAs and Youth Care Workers as has consistently been done over the past number of years.

As the LIF has not increased in line with the increases to collective agreement wage increase in past years, this special purpose fund continues to face pressure, whereby in order to continue to support the additional time for our staff, the District supplements amounts of approximately \$75,000 in its operating fund.



## 7.0 CAPITAL FUND

The capital fund includes capital expenditures related to facilities (purchases and enhancements) and equipment that are funded by Ministry capital grants, land capital, local capital, operating funds and special purpose funds.

On an annual basis, the District prepares a Five-Year Capital Plan and submits it for funding consideration to the Ministry. The plan identifies capital funding needs for existing and new facilities.

The following are current capital projects supported by the provincial government.

### *New Fraser River Elementary School*

In March of 2022, the District received notice from the Ministry acknowledging our needs for a new elementary school in the Fraser River Zone. At present, the concept plan with a recommendation for a 600-capacity school is with the Ministry for approval and the District is awaiting further direction.

### *New Fraser River Zone Site Acquisition*

In March of 2023, the District received notice from the Ministry acknowledging our needs for a new middle school in the Fraser River Zone of New Westminster through approval of a future site acquisition. The District is in the planning and business case stage of this process.

### *Ecole Qayqayt Elementary and Fraser River Middle School Internal Renovations*

As part of the District's short term capacity review, the Board passed a motion in December 2022 to relocate child care centres from Qayqayt Elementary and Fraser River Middle (see below) in order to create classroom spaces to accommodate enrolment growth in these schools. The funding for internal renovations required to convert these spaces into 8 new classrooms (4 at each location) has been supported by the Ministry to proceed to the planning and business case stage. The new classroom spaces are anticipated to be ready for the 2023/24 school year.

### *Lord Tweedsmuir Elementary and FW Howay Day Care Centres (New Spaces Funding)*

Related to the internal renovations for increased classroom space at Qayqayt Elementary and Fraser River Middle (see above) is the relocation of child care centres. The District identified new sites for these centres at Lord Tweedsmuir Elementary and FW Howay and in December 2022, the Board approved a motion for the relocation. Funding of \$1.440 million for each child care centre through the Child Care BC New Spaces Fund was approved in January 2023. The work on these child care centres is underway with an anticipated completion date of March 2024.





*Queen Elizabeth Elementary School Expansion*

This expansion includes the creation of an additional 13 classrooms to serve the fast-growing community of Queensborough. The project is in the planning and design stages. The approved project value is \$20.4 million.

*New Westminster Secondary School Replacement*

The NWSS replacement project accommodates over 2,000 grade 9 to 12 students in a modern learning environment with the latest sustainable energy management systems. The total cost of the project is approximately \$106.5 million.

Students were welcomed into the new facility in January 2021 and the project is in its final stages, which involves decommissioning of the original building.

*Other Capital Funded Projects*

Annual facilities grant funds are used throughout the District to address ongoing maintenance and improvement needs at schools. Planned spending for the capital component in 2023/24 is \$1,240,820.

Additional funding for capital projects in 2023/24 is detailed below.

Facility Name	Project Description	Bylaw Funding
Queensborough Middle School	School Enhancement Program – Roofing Upgrades	\$550,000
Ecole Glenbrook Middle School	School Enhancement Program – HVAC Upgrades	\$450,000
Ecole Herbert Spencer Elementary	Carbon Neutral Capital Program - HVAC Upgrades	\$750,000

*Local Capital*

The local capital fund includes funds generated by the District to be utilized for capital expenditures as determined by the District. At June 30, 2022, the local capital fund had a deficit of \$260,540 relating to a site acquisition in Queensborough completed in 2021/22. This deficit was approved by the Ministry and has been repaid through Board approved transfers from the operating fund in the 2022/23 year. Changes in the local capital balance are summarized below.

<b>Local Capital Deficit, June 30, 2022</b>	<b>(\$260,540)</b>
Board approved transfers to local capital:	
Queensborough site acquisition	352,445
Board approved uses of local capital:	
Queen Elizabeth Elementary expansion	(91,905)
<b>Local Capital Balance, June 30, 2023</b>	<b>\$ -</b>
Board approved transfers to local capital:	
Capital Plan Savings	150,000
<b>Local Capital Balance, June 30, 2024</b>	<b>\$150,000</b>