

Preliminary Budget 2026/27

With Three-Year Financial Plan

June 4, 2026



New
Westminster
Schools

TABLE OF CONTENTS

1.0 Introduction 2

2.0 District Overview 3

3.0 Budget Process and Consultation 4

4.0 Student Enrolment6

5.0 Operating Fund Budget8

 5.1 Operating Fund Revenue9

 5.2 Operating Fund Expenses10

 5.3 Base Budget Unfunded Costs and Cost Pressures13

 5.4 Priorities Supported in the 2025/26 School Year14

 5.5 Budget Reductions in the 2025/26 School Year18

 5.6 Contingency Reserve19

 5.7 Operating Budget - Three-Year Plan19

6.0 Special Purpose Fund21

7.0 Capital Fund23

1.0 INTRODUCTION

The following preliminary budget companion guide should be read in conjunction with the 2026/27 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 approximately 7,900 students in the City of New Westminster and employs more than 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.

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 partner groups and community. The District’s initiatives and resources are all aligned to our strategic plan which is built on our foundation of creating an inspired learning community by championing lifelong learning through enriching educational experiences.

In 2025, the Board approved its 5-year strategic plan which serves as a roadmap grounded in the collective wisdom of our students, staff, families 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 partner group feedback based on the District’s vision, goals and objectives.

Vision

An inspired learning community.

Mission

Champion lifelong learning through enriching educational experiences.

Values

- **Connection:** We foster meaningful relationships to achieve shared goals and a sense of belonging.
- **Empathy:** We care for and respect one another, and celebrate the unique experiences each of us brings.
- **Resiliency:** We equip people with the skills to navigate challenges, adapt to change, and turn obstacles into opportunities for growth.
- **Curiosity:** We inspire exploration and make space for play in learning.

Collectively, we, as a learning community are committed to following our strategic focus areas of *Student Experience, Systems of Care and Support and Organizational Capacity.*



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 transparency and accountability.

The consultation process has been a two-way dialogue between the Board and its partner groups to define priorities for the future. It has allowed for valuable input into the District's direction and decision making.

The following represents the various means the District employs to connect with our partner groups who include the New Westminister Teachers' Union ("NWTU"), CUPE 409, New Westminister Principals' and Vice Principals' Association, District Parent Advisory Council ("DPAC"), Student Voice and the Indigenous Education Council ("IEC"):

- Two-week budget survey
- Partner group submission and presentation at the March Board meeting
- Consultation with partner groups through the Coordinating Committee
- 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 partner groups. These lead to more focused consultations during our engagement process to further gather relevant input on how the suggested priorities resonate with partner groups. 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 year’s budget.

The table below outlines the budget process timeline for the 2026/27 year and the various opportunities for partner group engagement. There are multiple avenues to interact and share feedback in advance of the Board’s approval of the preliminary budget.

| | |
|------------------------|---|
| December 16, 2025 | Approval of the 2026/27 budget process |
| February 13, 2026 | Submission of three-year enrolments to Ministry |
| February 16 – 27, 2026 | Budget survey |
| February 24, 2026 | Approval of the 2025/26 amended budget |
| March 10, 2026 | Presentation of budget survey results and partner group presentations |
| March 12, 2026 | Ministry funding announcement for 2026/27 |
| April 14, 2026 | Coordinating Committee meeting on budget (Trustees, NWTU President, CUPE 409 President, DPAC Chair, principal representatives, IEC Chair) |
| April 28, 2026 | Superintendent budget recommendations for 2026/27 and complete all three readings of the budget bylaw |



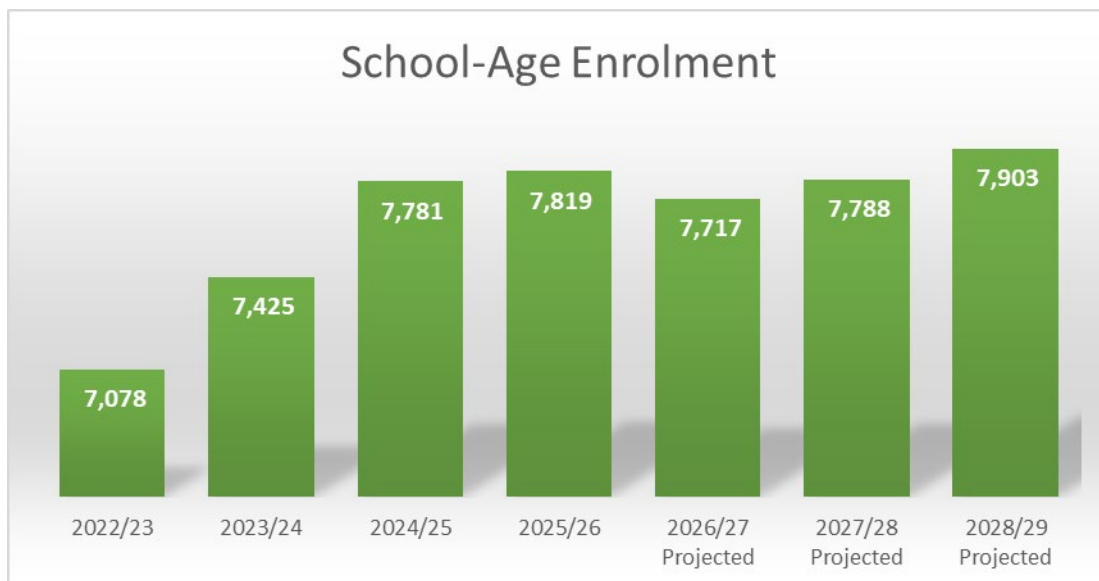
4.0 STUDENT ENROLMENT

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 current population data and new municipal development approvals to develop an estimate of elementary, middle and secondary student FTE for the ensuing three budget years.

After many years of rapidly increasing enrolment, the District realized only a small increase for 2025/26 (0.5%) and is projecting a temporary decrease in enrolment for 2026/27. A decrease of 102 FTE (1.3%) is projected for 2026/27 with enrolment expected to increase, although at a slower rate, in 2027/28 and 2028/29.

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.



Capacity

Tied to enrolment is the capacity constraints on our facilities to accommodate enrolment growth. Our District is currently experiencing significant capacity pressures brought on by a growing student population and a severe lack of space at our existing schools. Short-term challenges and bridging solutions needed to address the pressures have an impact on the District's operating budget.

The 2026/27 school year will see the following strategies implemented to address short-term capacity.

- Additional school portables;
- Relocating Early French Immersion program;
- Voluntary placement of grade 6 students at some elementary schools to take pressure off District middle schools;
- Refining of the five-block model at New Westminster Secondary School ("NWSS"); and

The District is currently completing a refresh of its Long Range Facilities Plan which is aimed at addressing the current school capacity pressures. One of the plan's major goals is to create recommendations to expand school infrastructure so the District can accommodate more students long-term. These recommendations are used in the District's requests to the Ministry for support.

The District's long-term strategies to address the capacity crisis includes the following capital projects.

- The Ministry announced the approval of an expansion to Queen Elizabeth Elementary in Queensborough, which will provide space for 21 classrooms.
- The Ministry announced the approval of a new elementary school in the Fraser River Zone, which will have capacity for 605 students.
- The Ministry of Infrastructure supported the need for a campus redevelopment at Lord Tweedsmuir Elementary School, which would accommodate 2,000 to 2,300 students, directing the District to move to business case development.

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.

For the 2026/27 school year, the operating fund base budget is estimated to be in a deficit of \$113,404. This structural deficit is in large part caused by unfunded costs such as inflation, increasing staff benefit premiums, salaries not covered by collective agreements, as well as the District's capacity pressures and the need to use operating funds for short-term strategies. These unfunded costs and cost pressures are discussed further in section 5.3.

The base budget makes the following assumptions/adjustments:

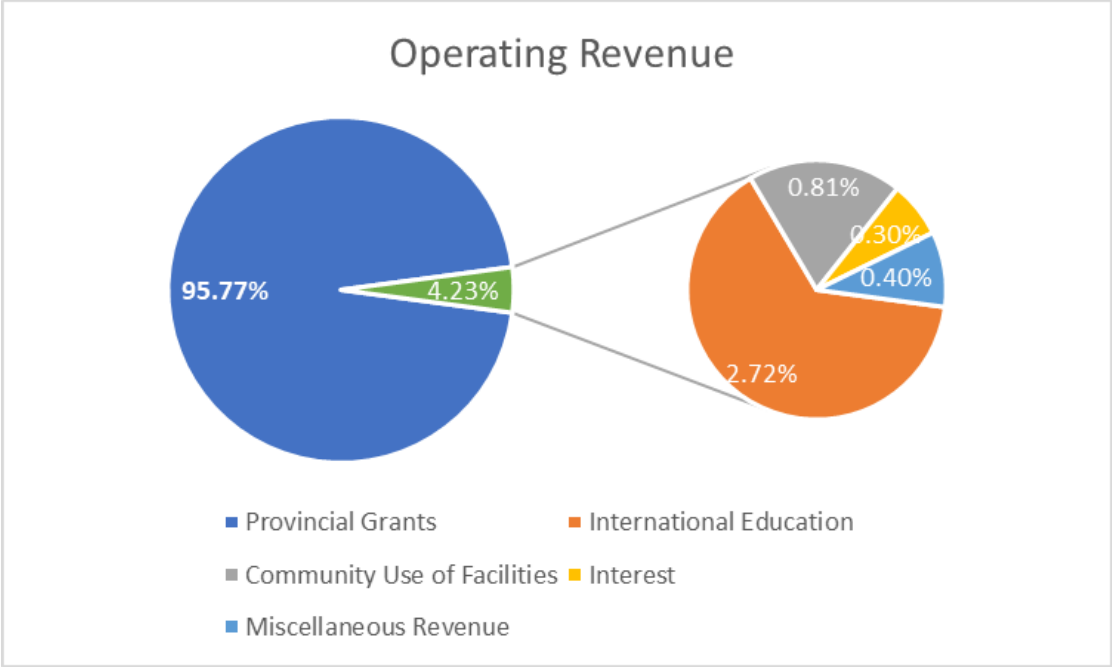
- Grant revenue is adjusted to align with enrolment projections in each year;
- Per-student funding rates and supplemental funding for diverse student needs and unique factors, if any, is adjusted each year and assumed to stay consistent in future years. Note that there was no change in rates for 2026/27;
- International enrolment changes and resulting impact on revenue;
- Staffing (support and teaching) adjustments needed to support classrooms;
- Known collective agreement wage increases and related funding for teachers and support staff are incorporated each year, however, at the time of budget approval, labour settlement funding for recently ratified collective agreements had not been announced and therefore no wage increases or related funding has been included in the 2026/27 base budget or three-year financial plan. It is assumed that labour settlement funding will fully fund the associated expenses;
- Replacement costs for teachers and support staff is adjusted based on historical trends and current staffing information in each year;
- Wage increases for principals, vice principals and exempt staff are included, consistent with prior year increases, and are at this point unfunded by government;
- Expected increases to the District's share of benefit plan premiums are factored in each year;
- Classroom enhancement funding has been adjusted based on expectations for 2026/27 school organizations;
- Portables funded from operating funds to accommodate enrolment are estimated based on the projected student enrolment in each year;
- One-time savings and surplus asks from the previous year are reversed; and
- Mid-year priorities approved by the Board in the previous school year have been annualized.



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 2026/27 is presented as below.



Provincial Grants

Operating grant revenue is based on the preliminary operating grants announced by the Ministry on March 12, 2026. The District anticipates a decrease in operating grant revenue of \$218,874 for 2026/27. This decrease relates fully to enrolment decline, shown in section 4.0, as there was no change in the per student funding rates as determined by the Ministry.

International Education

Planned FTE levels for the 2026/27 school year are expected to remain at 160 FTE as the economic and geo-political climate is making it challenging to recruit international students. International enrolment levels for 2027/28 and 2028/29 are expected to remain constant, at approximately 160 FTE.

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, tangible capital asset purchases and local capital transfers.

Salaries and Benefits

| | 2025/26 Amended Budget | 2026/27 Preliminary Budget | Increase (Decrease) |
|------------------------------------|------------------------------|----------------------------------|------------------------|
| Teachers | 42,086,838 | 41,826,914 | (259,924) |
| Principals and Vice Principals | 5,276,557 | 5,211,276 | (65,281) |
| Educational Assistants | 9,472,037 | 9,491,088 | 19,051 |
| Support Staff | 6,939,516 | 6,832,228 | (107,288) |
| Other Professionals | 3,105,719 | 3,541,615 | 435,896 |
| Substitutes | 3,784,458 | 3,930,266 | 145,808 |
| Total Salaries | 70,665,125 | 70,833,387 | 168,262 |
| Employee Benefits | 18,634,561 | 19,357,927 | 723,366 |
| Total Salaries and Benefits | 89,299,686 | 90,191,314 | 891,628 |

In the 2026/27 school year, salaries and benefits are estimated to increase by \$891,628. Increases relating to staffing adjustments, benefit costs, wage increases for non-unionized employees and priorities annualized or supported in the 2026/27 school year (see section 5.4) are offset by adjustments for declining enrolment and identified staffing reductions (see section 5.5).

The increase in salaries and benefits is summarized by function below.

| | 2025/26 Amended Budget | 2026/27 Preliminary Budget | Increase (Decrease) |
|------------------------------------|------------------------------|----------------------------------|------------------------|
| Instruction | 80,305,864 | 80,579,599 | 273,735 |
| Administration | 3,672,000 | 4,026,977 | 354,977 |
| Operations and Maintenance | 5,046,927 | 5,309,843 | 262,916 |
| Transportation | 274,895 | 274,895 | - |
| Total Salaries and Benefits | 89,299,686 | 90,191,314 | 891,628 |

The change in FTE is summarized by function below.

| | 2025/26 FTE | 2026/27 FTE | Increase (Decrease) |
|-----------------------------------|----------------|----------------|------------------------|
| <i>Instruction</i> | | | |
| Teachers | 490.5 | 481.7 | (8.8) |
| Educational Assistants | 213.0 | 215.0 | 2.0 |
| Support Staff | 67.5 | 57.1 | (10.4) |
| Principals and Vice-Principals | 31.0 | 29.6 | (1.4) |
| Other Professionals | 8.0 | 8.0 | - |
| | 810.0 | 791.5 | (18.5) |
| <i>Administration</i> | | | |
| Support Staff | 12.0 | 13.0 | 1.0 |
| Other Professionals | 13.0 | 15.0 | 2.0 |
| | 25.0 | 28.0 | 3.0 |
| <i>Operations and Maintenance</i> | | | |
| Support Staff | 51.0 | 52.0 | 1.0 |
| Other Professionals | 4.0 | 4.0 | - |
| | 55.0 | 56.0 | 1.0 |
| <i>Transportation</i> | | | |
| Support Staff | 18.0 | 18.0 | - |
| | | | |
| Total FTE | 908.0 | 893.5 | (14.5) |

Salaries and benefits expense in 2027/28 and 2028/29 are estimated based on the following assumptions:

- FTE changes for teachers, EAs and TTOCs for enrolment is based off of the three-year enrolment submission to the Ministry on February 13, 2026 and collective agreement ratio allocations;
- Wage increases and collective agreement enhancements for teachers and support staff will be fully funded by the Province. No increase has been considered for 2027/28 and 2028/29 as new collective agreements and/or labour settlement funding has not yet been approved;
- Wage increases for non-unionized staff are assumed to be consistent with prior year increases and it is assumed that they will not be funded by the Province, therefore no corresponding revenue has been included for 2027/28 and 2028/29; and
- Cost increases for employee benefit plan rates will not be provincially funded.

Services and Supplies

In 2026/27, services and supplies budgets have been increased to reflect non-discretionary cost increases for contracted services and supplies and for new priorities supported in the 2026/27 school year (see section 5.4). Offsetting this is a decrease to some services and supplies budgets due to declining enrolment. Where departmental efficiencies have been identified, services and supplies budgets have been reduced (see section 5.5).

Projections for 2027/28 and 2028/29 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 relating to our education system. These costs, which are downloaded to Districts, must be absorbed within operating budgets. The following describes some unfunded pressures the District faces for the upcoming year, which are reflected in the base budget.

Benefits

The past three years has seen significant increases to the cost of extended health and dental benefit premiums for employees. The District funds between 85% and 100% of these benefit premiums for eligible employees, depending on the employee group. Claims utilization, inflation and plan enhancements have all contributed to the rate increases. In addition, enhancements to the Canada Pension Plan and Work Safe BC premiums have increased benefit costs for employers. Acknowledgement of these increased costs has not been reflected in operating grants. The District's estimated unfunded cost increase for 2026/27 is \$754,983.

Portables

We continue to experience capacity issues within 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 approx. \$220,000 for the 2026/27 school year. The estimated cost for portables to accommodate the District's anticipated requirements for additional capacity in each of 2027/28 and 2028/29 has been included in the multi-year financial plan.

Inflation

Canada's annual inflation rate for March 2026 was 2.4% which remains above the historic rate seen for inflation of about 2%. This increased inflation is reducing the purchasing power of Districts, specifically schools and departments, in carrying out their work when purchasing services and supplies. In the past few years, management has adjusted services and supplies budgets by 2-3%, when possible, to help offset the decrease to purchasing power. These adjustments are not sustainable without additional funding from the Ministry to address this pressure.

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. Exempt staff (managers, principals and vice-principals) wage increases were funded by the Province for the past four years. There is no confirmation of funding for the 2026/27 school year and therefore no amounts have been included in revenue.

5.4 Priorities Supported in the 2026/27 School Year

The 2026/27 budget is built with a keen focus on the Board's strategic plan and with the long view of what needs to be accomplished for the school community. The overarching theme is a fiscally sustainable budget that holds the line on services to students and invests in curricular resources and technology, aligned with strategic priorities. This budget also addresses how to manage short-term capacity challenges at our schools. Feedback received from multiple methods of budget consultation confirms the priorities of staffing and classroom supports, specialized programming, safety and well-being, technology and infrastructure and capacity.

The following table details the priorities supported in the 2026/27 preliminary budget.

| Priority | One Time (\$) | On-going (\$) | Total (\$) |
|-----------------------|---------------|------------------|------------------|
| Literacy Facilitator | \$ - | \$137,500 | \$137,500 |
| Professional Learning | - | 50,000 | 50,000 |
| Privacy Officer | - | 95,000 | 95,000 |
| Total | \$- | \$282,500 | \$282,500 |

Staffing and Classroom Supports and Specialized Programming

A 1.0 FTE literacy facilitator position will continue the momentum from the 2025/26 school year around improving literacy outcomes. This position will continue to provide support on evidence-based assessment and instructional practices and expand universal screening to all students in kindergarten through grade 3. Additionally, literacy interventions for grade 9 students will be implemented to address learning gaps in secondary school and support successful transitions.

A \$50,000 on-going investment in professional development has been approved to ensure educators have access to relevant professional learning, leading to more engaging and effective teaching.

A purpose designed classroom replicating a real-world living environment will be created at NWSS. This will allow specialized programming for small groups to focus on functional life skills, communication, social and emotional learning, safety and independence.

Safety and Well-being

Tools that continue to be leveraged in the 2026/27 school year to address student safety and well-being include ensuring high quality learning environments, supporting codes of conduct and maintaining and building systems of care partnerships.



Part of ensuring a high-quality learning environment is the staff performance management program which provides clear expectations and regular, meaningful feedback and learning opportunities to grow staff capacity and support student success. Additionally, the attendance support program is a proactive support model that will be implemented in 2026/27 and aligns with the duty to accommodate and healthy workplace principles. Successful implementation of this program will have a direct impact on service delivery, student outcomes and workforce stability.

Privacy Officer

The District commenced an enterprise risk management project in the 2025/26 school year. Given the sensitivity and volume of data that the District handles, as well as heightened cyber threats, expanded use of digital learning platforms and growing public and regulatory scrutiny, having a designated privacy officer was identified as a priority. The Board has supported a 1.0 FTE privacy officer position in the 2026/27 budget. The cost of this position is partially offset by a reduction in legal fees as some of this work was previously contracted.

Technology

Technology continues to be identified by nearly all partner groups as a priority area. The District has an active technology working group which helps inform decisions around hardware refresh cycles, resource requirements and bring your own device programs. A one-time investment of \$500,000 was made in the 2025/26 school year to catch up on the technology refresh cycle and save for an enterprise resource planning system replacement. In addition, investments in cyber security measures including multi-factor authentication and offsite backups will continue to be supported.

Infrastructure and Capacity

The District is in the process of updating its long range facility plan in consultation with partner groups and the community. The plan will provide recommendations addressing the current school capacity pressures. Refer to section 7.0 for details of current capital projects that the District has been approved for. The District is also using innovative ways to create short-term capacity as discussed in section 4.0.

Priorities Maintained in Base Budget

The District is proud to maintain within its base budget, funding for extra and co-curricular programs including arts, music and athletics. There have been no program cuts and non-classroom spaces will be preserved as no conversions are planned for 2026/27. The following investments made in past years will also continue in 2026/27.

Teaching, Learning, Safety and Well-being

Physical safety and emotional well-being for students and staff is always a top priority for the District and its partner groups. The District has done a lot of work to grow our team of counsellors and child youth care workers and will maintain above-ratio counsellor staffing for the 2026/27 school year.

Additionally, the District's past investments in Sexual Orientation and Gender Identity ("SOGI") and sexual health facilitators will continue for 2026/27 as access to sexual health and consent education continues to be a priority for the District.

Contingency EA Staffing

The District continues to invest in contingency EA staffing in the 2026/27 base budget to support students with complex needs that come to the District throughout the school year, many who come without a designation, and as a result, no funding. To ensure consistency and support for these students in the classroom, additional EAs are budgeted to deploy as needed throughout the school year.

Priority TTOC Staffing Model

In past years, the District has invested considerable amounts into priority TTOCs to have the ability to deploy staff to ensure more consistent coverage when higher rates of absences are experienced. The strategy will be maintained for the 2026/27 school year with staffing of 10 priority TTOCs to help address the consistently high level of absences observed.

Indigenous Education

For the 2026/27 school year, the District anticipates enrolment of 267 FTE Indigenous students. The targeted funding provided to the District by the Ministry is \$477,930. The preliminary budget allocates \$648,512 which is over and above the targeted funding by \$170,582. A new flexible and responsive service model was approved by the IEC and Board that aligns with evidence-based practices and emerging student needs. The roles that will be part of this model include two Indigenous success teachers to support middle and secondary schools, an Indigenous literacy and numeracy teacher for elementary schools, an Indigenous outreach worker and an Indigenous cultural presenter. This model aligns with the District's commitment to reconciliation, belonging and student success.

Child Care

The District is committed to providing quality, affordable child care in our schools that is grounded in the BC Early Learning Framework. The 2026/27 budget maintains the District's support towards 24 district operated after school care spaces on school grounds.



5.5 Budget Reductions in the 2026/27 School Year

The Board can no longer rely on balancing budgets solely through the use of reserves. The District’s accumulated surplus balance at June 30, 2026, is expected to be at the minimum level that was established by Board Policy 19 around contingency reserves (see section 5.6), and therefore the Board must take action and identify areas for ongoing reductions. To that end, the following reductions have been identified for 2026/27.

Staffing Related Reductions

| Budget Reduction | Total (\$) |
|---|------------------|
| Facilitators (0.9 FTE) | \$124,724 |
| Support Staff | 39,900 |
| Total Staffing Budget Reductions | \$164,624 |

Non-Staffing Related Reductions

| Budget Reduction | Total (\$) |
|---|-----------------|
| Reduction to Department Budgets | \$63,277 |
| Total Non-Staffing Budget Reductions | \$63,277 |

5.6 Contingency Reserve

The Board is responsible for protecting 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 2025/26 school year that the accumulated operating surplus will be \$2,069,644. Should the balance fall below \$2 million, the Board will incorporate strategies into its future budget planning processes to re-establish the contingency reserve to the appropriate level.

5.7 Operating Budget - Three-Year Financial Plan

Below is a three-year financial plan for the operating fund revenue and expenses by object. This projection is based on current factors known to the District 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 based on information known at the time;
- Estimated changes to services and supplies due to inflation;
- Adjustments for ongoing and/or one-time revenue or expense items included in the prior year budget; and
- Estimated changes to operating revenues and expenses resulting from approved capital projects (ie. building of a new school) are included as other items.

After factoring efficiencies and priorities into the base budget, the Board has approved a \$168,002 operating deficit, which will be balanced through accumulated surplus dollars. Projections show that this will be followed by a budget deficit of approximately \$1,435,000 for 2027/28, and a budget deficit of approximately \$2,630,000 for 2028/29.



| (in thousands) | 2024/25 Actual | 2025/26 Amended Budget | 2026/27 Preliminary Budget | 2027/28 Projection | 2028/28 Projection |
|---|----------------|------------------------|----------------------------|--------------------|--------------------|
| Provincial Grants - Ministry of Education and Child Care | | | | | |
| Operating Grant, Ministry of Education and Child Care | 90,135 | 92,396 | 92,177 | 92,970 | 94,643 |
| Other Ministry of Education and Child Care Grants | 2,242 | 1,658 | 1,333 | 1,333 | 1,333 |
| Provincial Grants - Other | 82 | 81 | 81 | 81 | 81 |
| Other Revenue | | | | | |
| Continuing Education and Summer School Fees | 18 | 16 | 16 | 16 | 16 |
| International and Out of Province Students | 2,703 | 2,660 | 2,660 | 2,660 | 2,660 |
| Instructional Cafeteria Revenue | 286 | 224 | 224 | 224 | 224 |
| Miscellaneous | 169 | 167 | 148 | 148 | 148 |
| Rentals and Leases | 821 | 795 | 795 | 795 | 795 |
| Investment Income | 393 | 290 | 290 | 290 | 290 |
| TOTAL OPERATING REVENUE | 96,849 | 98,287 | 97,724 | 98,517 | 100,190 |
| Operating Expenses | | | | | |
| Salaries and Benefits | 88,196 | 89,299 | 90,093 | 91,580 | 93,780 |
| Services and Supplies | 7,662 | 7,296 | 6,895 | 7,033 | 7,170 |
| TOTAL OPERATING EXPENSES | 95,858 | 96,595 | 96,988 | 98,613 | 100,950 |
| Capital Purchases and Other | -1,231 | -1,692 | -849 | -1,029 | -1,029 |
| Surplus (Deficit), for the year | -240 | 0 | -113 | -1,125 | -1,789 |
| Efficiencies | | | | | |
| One-time Efficiencies | | | | | |
| Ongoing Efficiencies | | | 228 | 228 | 228 |
| | -240 | 0 | 115 | -897 | -1,561 |
| Requests | | | | | |
| Ongoing Priorities | | | -283 | -283 | -283 |
| One-Time Priorities | | | | | |
| Other items | | | | -255 | -786 |
| Use of Prior Year Appropriated Surplus to balance budget | 240 | 0 | 168 | 1,435 | 2,630 |
| Total Operating Surplus (Deficit), for the year | 0 | 0 | 0 | 0 | 0 |
| Operating Surplus (Deficit), beginning of year | 2,309 | 2,069 | 2,069 | 1,901 | 466 |
| Use of Prior Year Appropriated Surplus to balance budget | -240 | 0 | -168 | -1,435 | -2,630 |
| Operating Surplus (Deficit), end of year | 2,069 | 2,069 | 1,901 | 466 | -2,164 |

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 2026/27 relating to the following funds:

- Annual Facility Grant
- Apprentice Program
- Classroom Enhancement Fund (“CEF”)
- Community LINK
- Early Care and Learning (“ECL”)
- Feeding Futures Fund / National School Food Program
- Learning Improvement Fund (“LIF”)
- Official Languages in Education Programs
- Mental Health in Schools
- Ready, Set, Learn
- Scholarships and Bursaries
- School Generated Funds
- Strong Start
- Transitional Bus Funding

The following represents some highlights of the work that is funded from these special purpose programs.

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 2026/27, the District has been provided a preliminary CEF allocation of \$10,025,343 to fund 82.0 FTE teachers and \$425,529 in overhead funding. Adjustments to the District’s allocations may be made once the final fall 2026 staffing is known.



Community LINK

This funding is intended to support the academic achievement and social functioning of vulnerable students. Total Ministry funding for the 2026/27 year is \$1,738,062. The District will continue to invest in social-emotional supports for vulnerable learners with 15 FTE Youth Care Workers and 5.2 FTE of learning resource staff. Approximately \$100,000 is also budgeted for community schools programming.

Early Care and Learning

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 and expanding child care spaces on school grounds, the Province has provided \$350,000 of funding to support ELCC work in 2026/27 and 2027/28. A 1.0 FTE Manager of Early Learning and Child Care position was previously created to engage in this work.

Feeding Futures Fund / National School Food Program

The Feeding Futures Fund, in combination with the National School Food Program, has expanded local school food programs so that more children and youth have access to healthy meals and snacks at school.

The District will receive \$867,412 of Feeding Futures funding in 2026/27 to continue its programs, allocating a significant portion of this funding to meal subsidies to ensure students that require it, have access to stigma-free lunches.

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 2026/27 funding of \$319,072 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 or enrolment growth 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 \$37,000 in its operating fund.

Seamless Day and Strong Start

Provincial funding for the seamless day program has ended and the program will not continue in 2026/27. This results in a reduction of support staff of 4.0 FTE. Due to the continuous lack of funding for strong start programs, the District has had to consolidate the program from three to two locations.

Transitional Bus Funding

The Province has confirmed a one-time payment of \$400,000 to transition to a new and sustainable program for NWSS students living in Queensborough.



7.0 CAPITAL FUND

The capital fund includes capital expenditures related to facilities 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.

Queen Elizabeth Elementary School Expansion

In October 2023, the Ministry announced approval of an additional floor to the Queen Elizabeth Elementary expansion project in the fast-growing community of Queensborough. The additional floor will transform the building from the originally approved two-storey structure to a three-storey school that provides an additional 525 seats and a Neighbourhood Learning Centre. This project will allow grade 5 students, who were previously moved to Queensborough Middle School in order to alleviate capacity pressures, to return.

Work commenced in the fall of 2024 and is scheduled to be completed in early 2027. The estimated project value is \$34.3 million.

New Fraser River Elementary School

In November 2025, the Ministry announced approval of a new elementary school to be built adjacent to Fraser River Middle School. The new school will feature four storeys with underground parking and 25 classrooms for a total student capacity of 605 seats.

Work is expected to commence in fall 2026 with a target completion date of summer 2028. The estimated project value is \$65 million.

Lord Tweedsmuir Elementary Campus Redevelopment

In March 2026, the District received support from the Ministry of Infrastructure for redevelopment of the Lord Tweedsmuir Elementary site. The District can proceed to business case development which, alongside the Long Range Facility Plan, will help determine the size and configuration of the new campus. It is anticipated that the campus would be sized to accommodate 2,000 to 2,300 students.

Other Capital Funded Projects

Annual facility grant funds are used throughout the District to address ongoing maintenance and improvement needs at our schools. Planned spending for the capital component of this grant in 2026/27 is \$1,503,323.



Additional funding for capital projects in 2026/27 is detailed below.

| Facility Name | Project Description | Bylaw Funding |
|----------------------------|--|---------------|
| Herbert Spencer Elementary | Carbon Neutral Capital Program – HVAC Upgrades | \$650,000 |
| Skwo:wech Elementary | School Enhancement Program – HVAC Upgrades | \$1,250,000 |

Local Capital

The local capital fund includes funds generated by the District to be utilized for capital expenditures as determined by the Board.

The Board approved the transfer of \$575,000 to local capital as part of the 2025/26 amended budget.

Expected changes in the local capital balance are summarized below. The estimated balance at June 30, 2026 includes \$33,494 of interest earned on the fund.

| | |
|---|------------------|
| Local Capital Balance, June 30, 2025 | \$183,494 |
| Board approved transfers to local capital: | |
| Technology and aged maintenance equipment | 575,000 |
| Board approved uses of local capital: | |
| Technology and aged maintenance equipment | (50,000) |
| Local Capital Balance, June 30, 2026 | \$708,494 |
| Board approved transfers to local capital: | |
| None budgeted for 2026/27 | - |
| Board approved uses of local capital: | |
| Technology and aged maintenance equipment | (275,000) |
| Local Capital Balance, June 30, 2027 | \$433,494 |

