

SCHOOL DISTRICT 63 (SAANICH)

FINANCE, FACILITIES & TECHNOLOGY COMMITTEE

**Agenda**

Committee Members:	Trustee Elder, Chair Trustee Hickman Trustee McMurphy
Staff Support:	Jason Reid, Secretary Treasurer Dave Eberwein, Superintendent of Schools Megan Cimaglia, Director of Finance Rob Lumb, Director of Facilities Cody Henschel, Director of Information Technology
Partner Representatives:	Don Peterson, STA Candice Whitney, CUPE David Mark, SAA COPACS

**Tuesday, October 15, 2024**

**10:30 am**

**A. PRESENTATIONS AND QUESTIONS**

Energy Sustainability Plan Presentation – Rob Lumb & Erica Letchford, Rede Energy Solutions

**B. ITEMS FOR DISCUSSION**

No Items.

**C. ITEMS FOR RECOMMENDATION**

1. Preliminary Enrolment and Funding – briefing note to follow

**Staff Recommendation:**

That the Board approve the proposed 2024/25 expenditure budget changes.

2. Multi-Year Financial Plan

**Staff Recommendation:**

That the Board approve the 2024 - 2027 Multi-Year Financial Plan.

**D. ITEMS FOR INFORMATION**

No Items.

**E. FUTURE AGENDA ITEMS**

- Budget Timelines/Process (Nov)
- Budget Guiding Principles (Nov)
- Statement of Financial Information (Nov)

Energy  
Sustainability  
Plan  
Update

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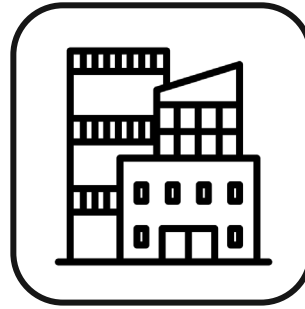
October 15, 2024

Rede

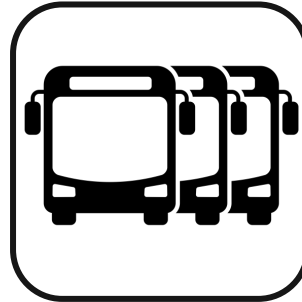
# Agenda



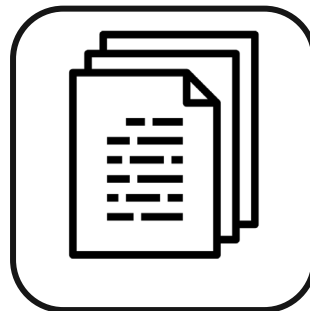
Baseline &  
Targets



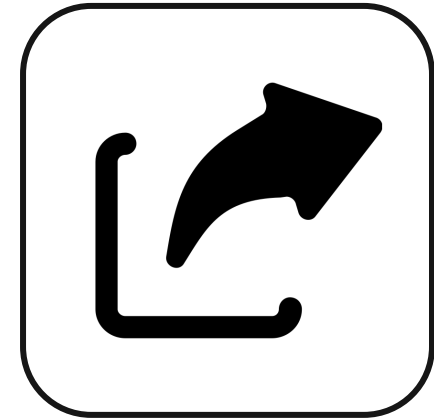
Buildings



Fleet

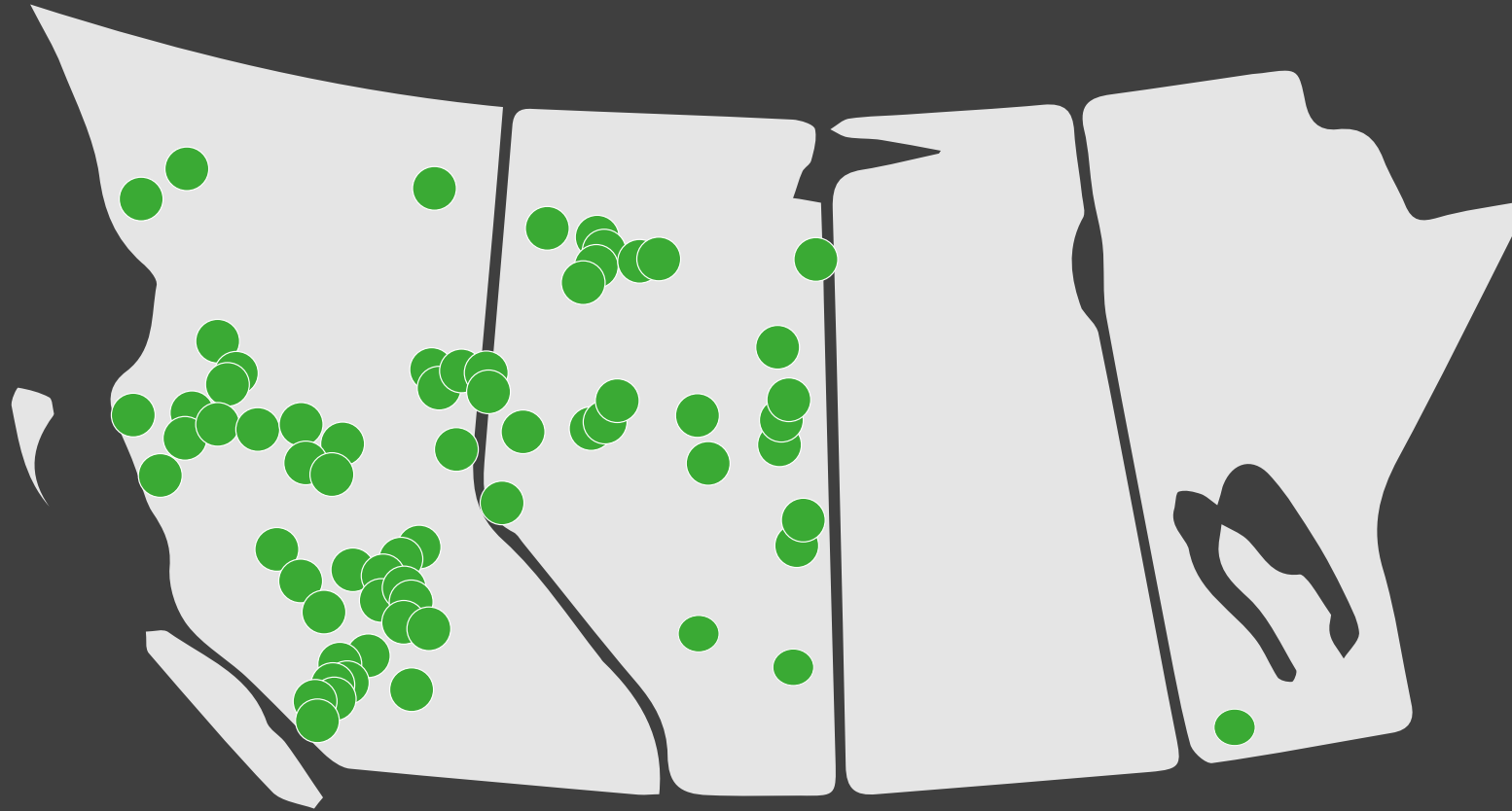


Paper



Next  
Steps

Rede



**Rede**

BUILDING  
ENERGY  
EFFICIENCY

**Rede Energy Solutions**



Targets & Baseline

Rede

# Buildings and Communities

**59-64% reduction  
by 2030**

(From 2007 baseline)

Rede

# Transportation

**27-32% reduction  
by 2030**

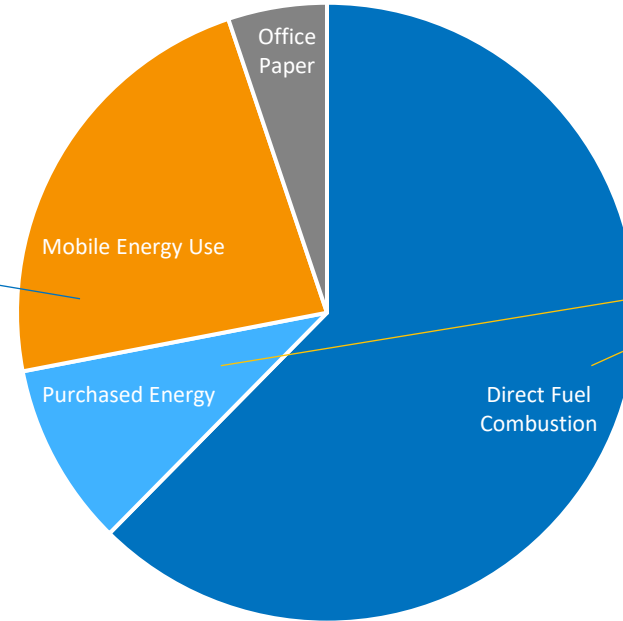
(From 2007 baseline)

Rede

# 2010 Baseline

**Transportation**

**Buildings**



	Buildings		Mobile Energy Use	Office Paper	
Also Known As	Natural Gas, Propane	Electricity	Vehicles	Paper	
t CO <sub>2</sub> e GHG	1,386	213	508	115	<b>2,221</b>
	1,598				

Rede



# Apply the Targets

	Buildings		Mobile Energy Use	Office Paper	
Also Known As	Natural Gas, Propane	Electricity	Vehicles	Paper	
t CO2e GHG	1,598		508	115	<b>2,221</b>


Rede

# Apply the Targets

	Buildings		Mobile Energy Use	Office Paper	
Also Known As	Natural Gas, Propane	Electricity	Vehicles	Paper	
t CO2e GHG	1,598		508	115	<b>2,221</b>
	59-64% Reduction		27-32% Reduction	59-64% Reduction	

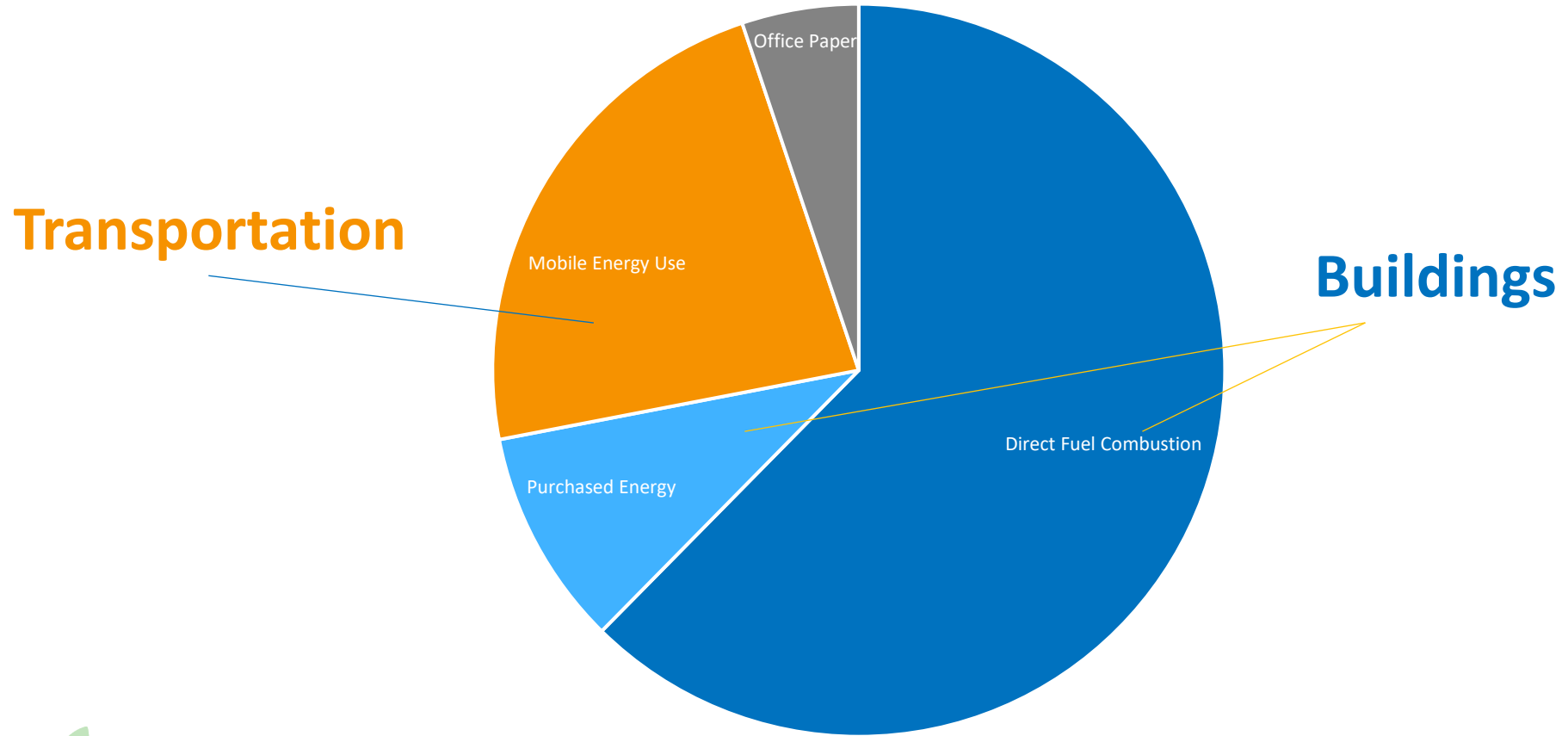
Rede

# Apply the Targets

	Buildings		Mobile Energy Use	Office Paper	
Also Known As	Natural Gas, Propane	Electricity	Vehicles	Paper	
t CO2e GHG	1,598		508	115	<b>2,221</b>
	<b>59-64% Reduction</b>		<b>27-32% Reduction</b>	<b>59-64% Reduction</b>	
Reduction Needed	943 - 1023		137 - 163	68-73	
2030 Target	575-655		345 - 371	41-47	<b>961 - 1073</b>

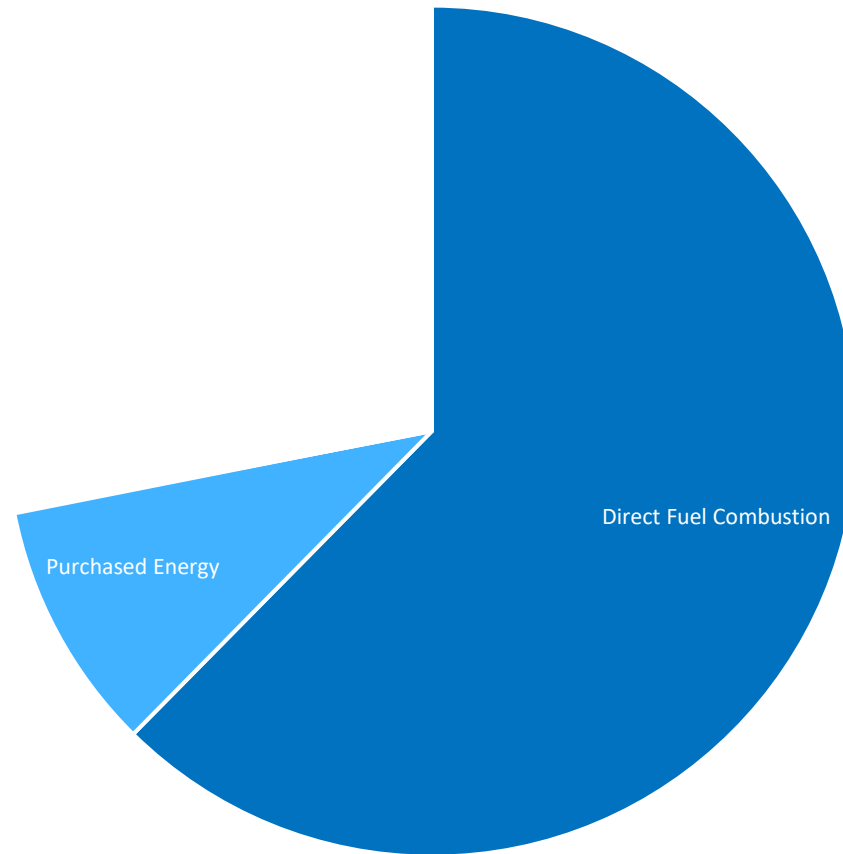
Rede

# 2010 Baseline



Rede

# 2010 Baseline



**Buildings**

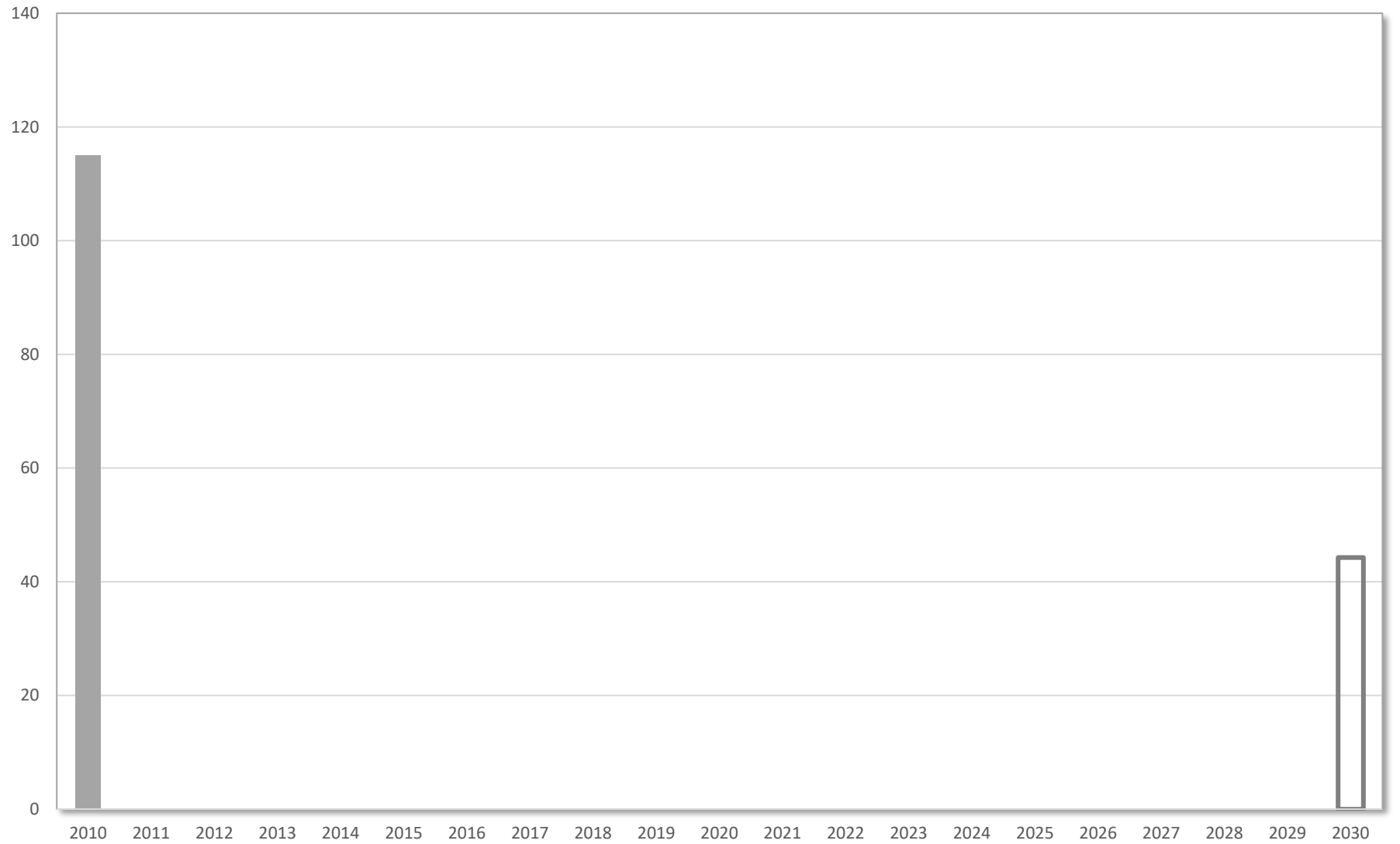
Rede



Paper

Rede

Paper



Rede

# Paper

Fall 2021

Recommendation

➤ Implement purchasing policy

Spring 2022

Action

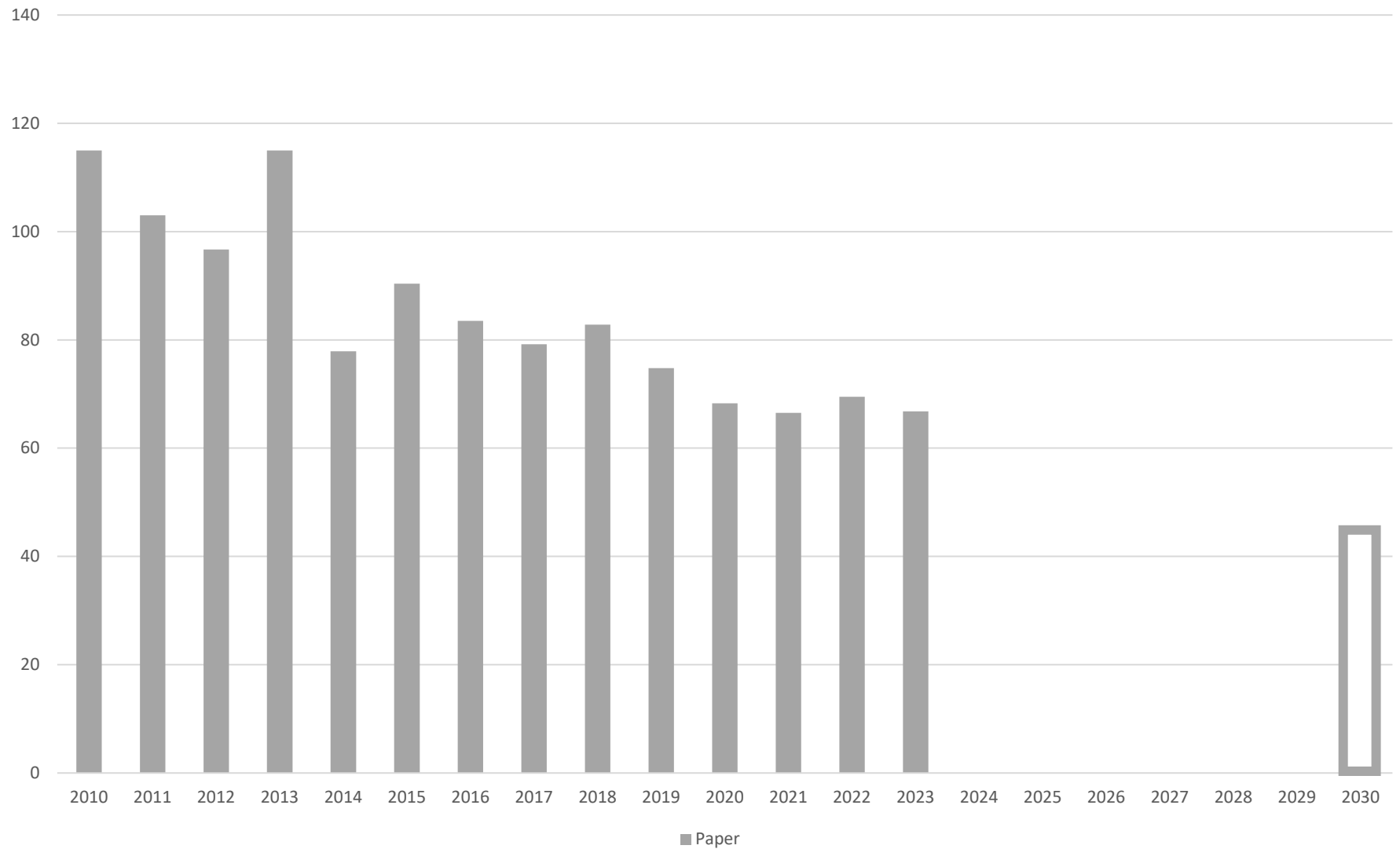
Schools and departments advised to use Monk-recommended “sugar sheet” paper.

Counts as 100% post-consumer recycled.

Rede



# Paper



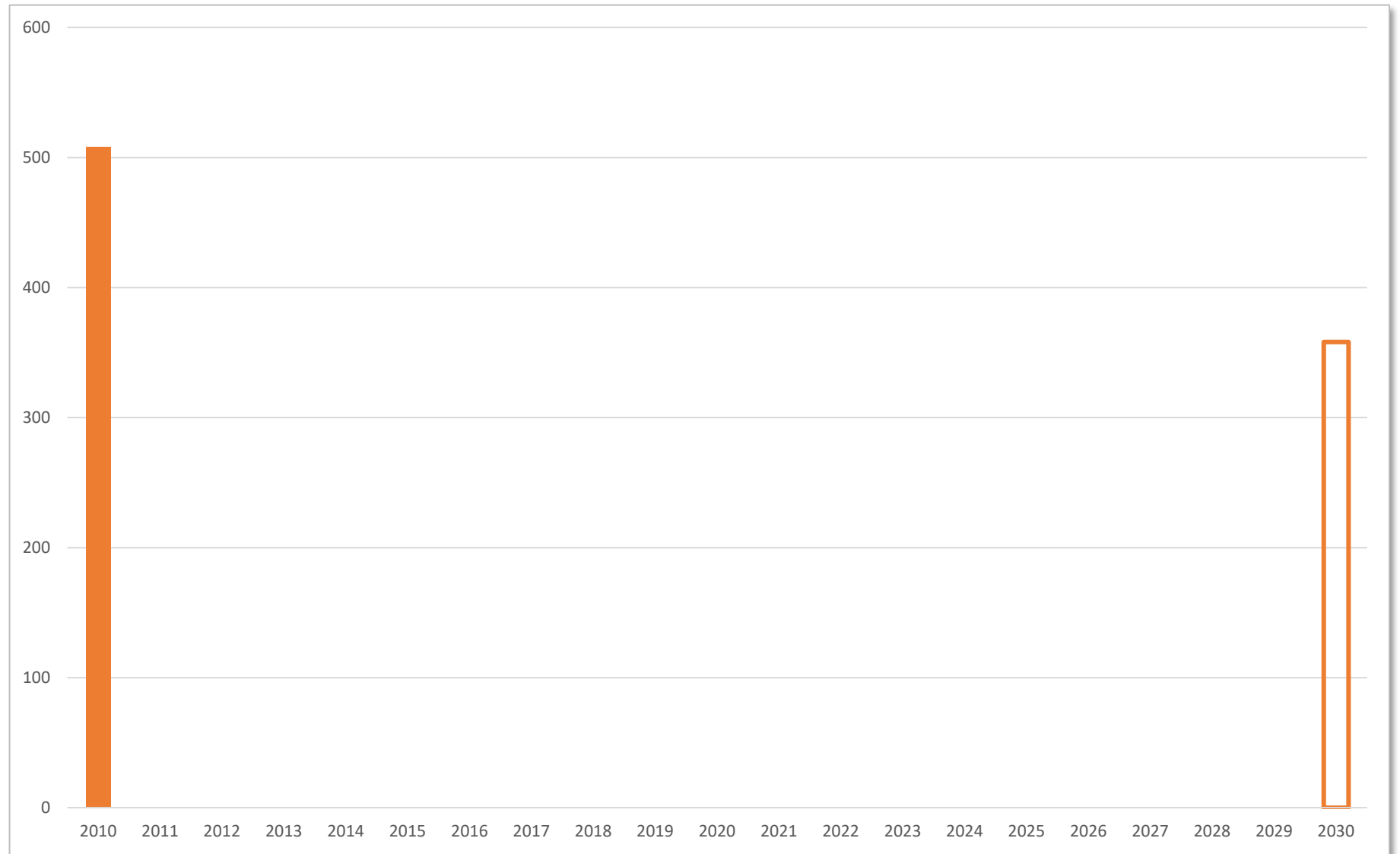
# Rede



Fleet

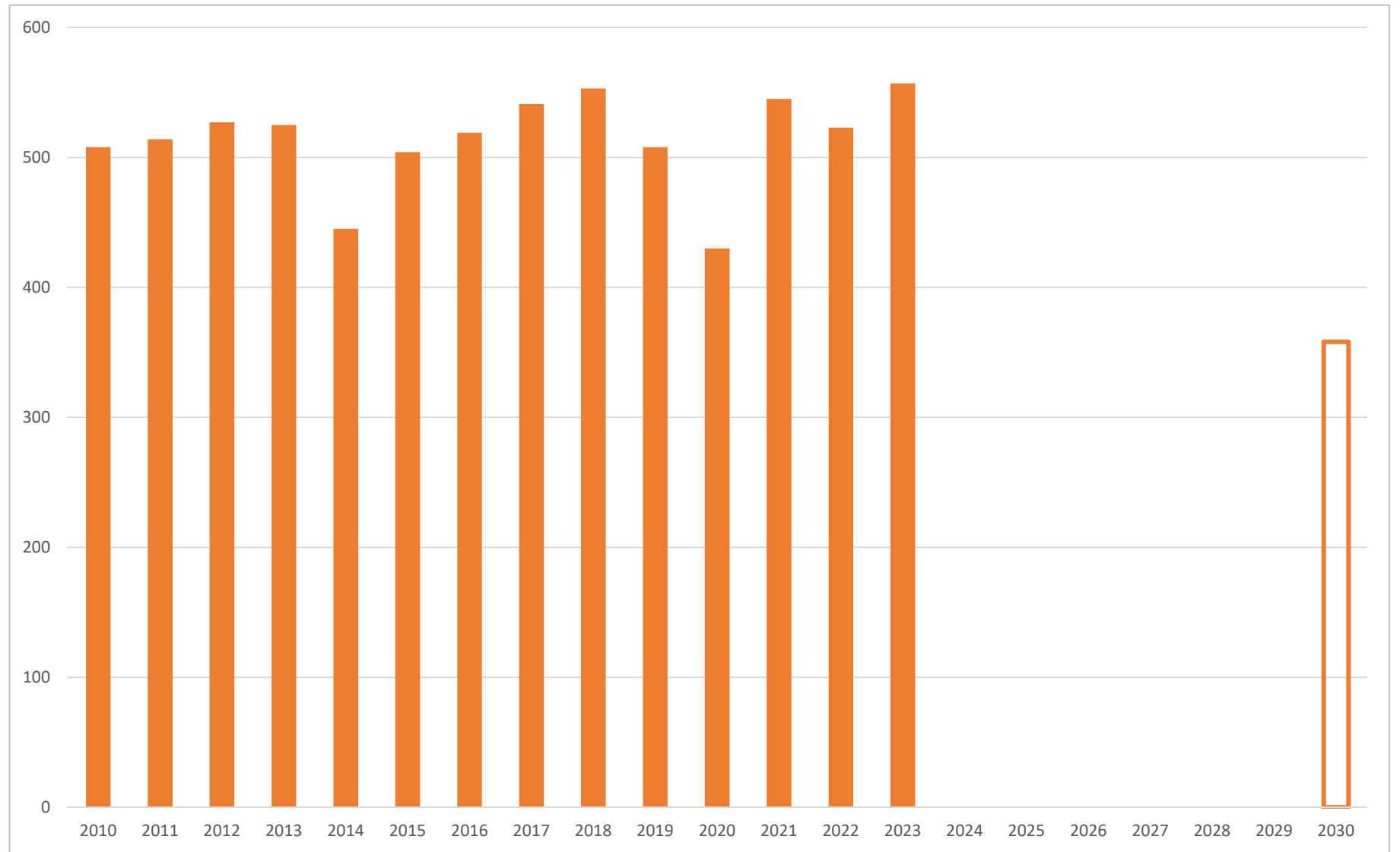
Rede

# Fleet



# Rede

# Fleet



Rede

# School Bus Electrification



2022-23 Budget – Arrived Winter 2023



2023-24 Budget – Arrived Sep 2024

2024-25 Budget – none eligible



2025-26 Budget – Arrive Sep 2026



**Needed by 2030**

Rede

# Fleet - Electrification



	\$	\$	\$	\$	\$	
	2022-23	2023-24	2024-25	2025-26	2026-27	
SD63 Ministry of Education	468,400	277,000		TBD		
Carbon Neutral Capital Program (CNCP)	50,000	0		0		
Clean BC	300,000	150,000		200,000	TBD	
Zero Emission Transit Fund (Federal)		30%		30%		
Canada Infrastructure Bank (loan)	183,600					
	<b>1,002,000</b>					

Rede

\* All numbers are rounded

# Fleet – Charging Infrastructure

	⚡ ⚡	⚡		⚡ ⚡		
	\$	\$	\$	\$	\$	
	2022-23	2023-24	2024-25	2025-26	2026-27	
Zero Emission Transit Fund (Federal)		50%	50%	50%		



*PLUS, application submitted for **additional 12 chargers** and associated works. 50% funding.*

Pending response from ZETF

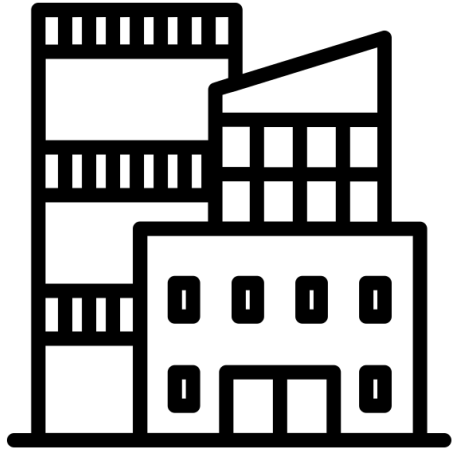
*\* All numbers are rounded*

# Fleet – Funding Gap

	2022-23	2023-24	2024-25	2025-26	2026-27	2026 – 2030
Buses	CIB Loan	Cost Neutral	n/a	Cost Neutral	TBD	TBD
Charging Infrastructure			Pending application			

Rede





Buildings

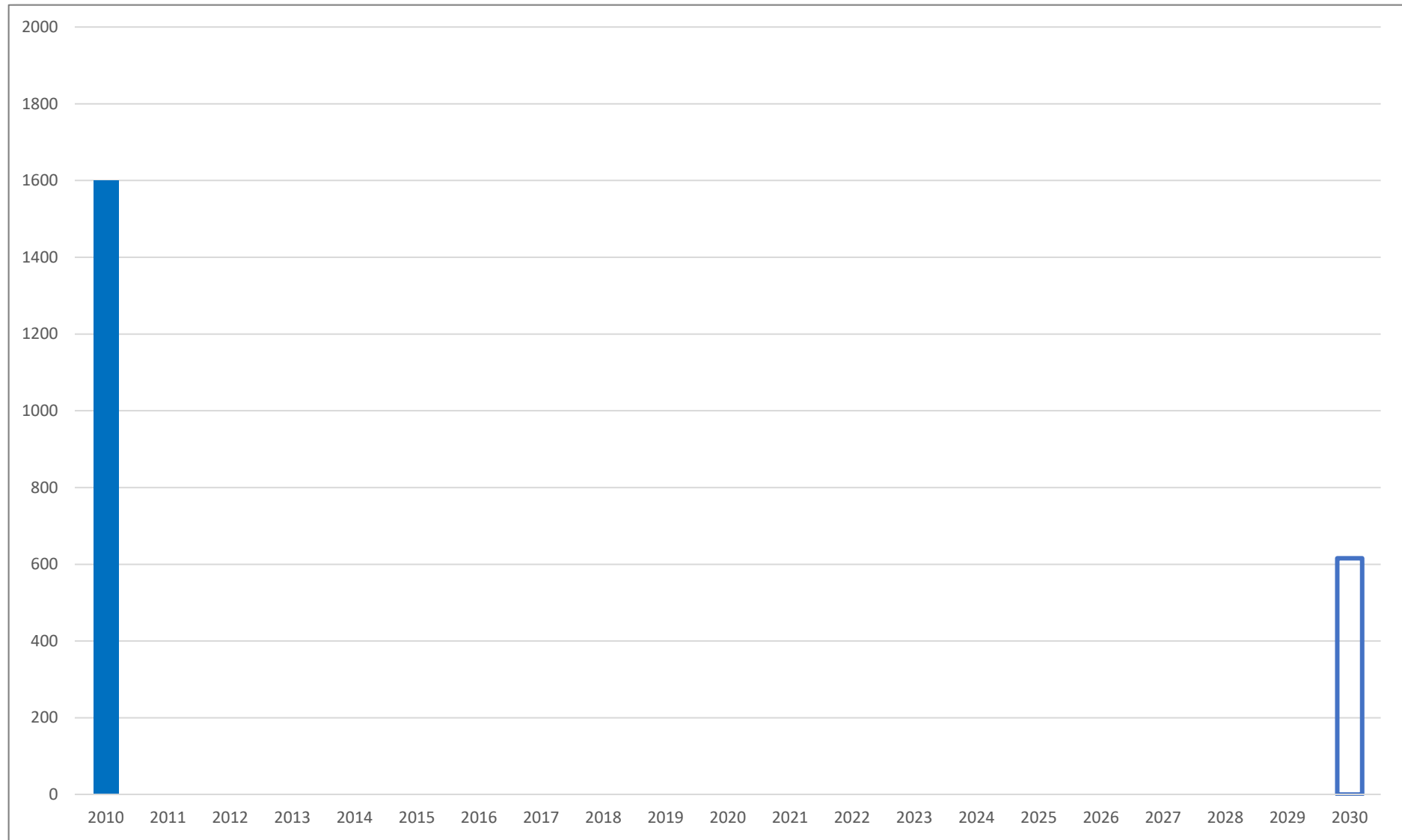
Rede

# Building GHG Reduction

	Direct Fuel Combustion	Purchased Energy
Also Known As	Natural Gas, Propane	Electricity
t CO <sub>2</sub> e GHG	1,598	
	<b>59-64% Reduction</b>	
Reduction Needed	943 - 1023	
2030 Target	575-655	

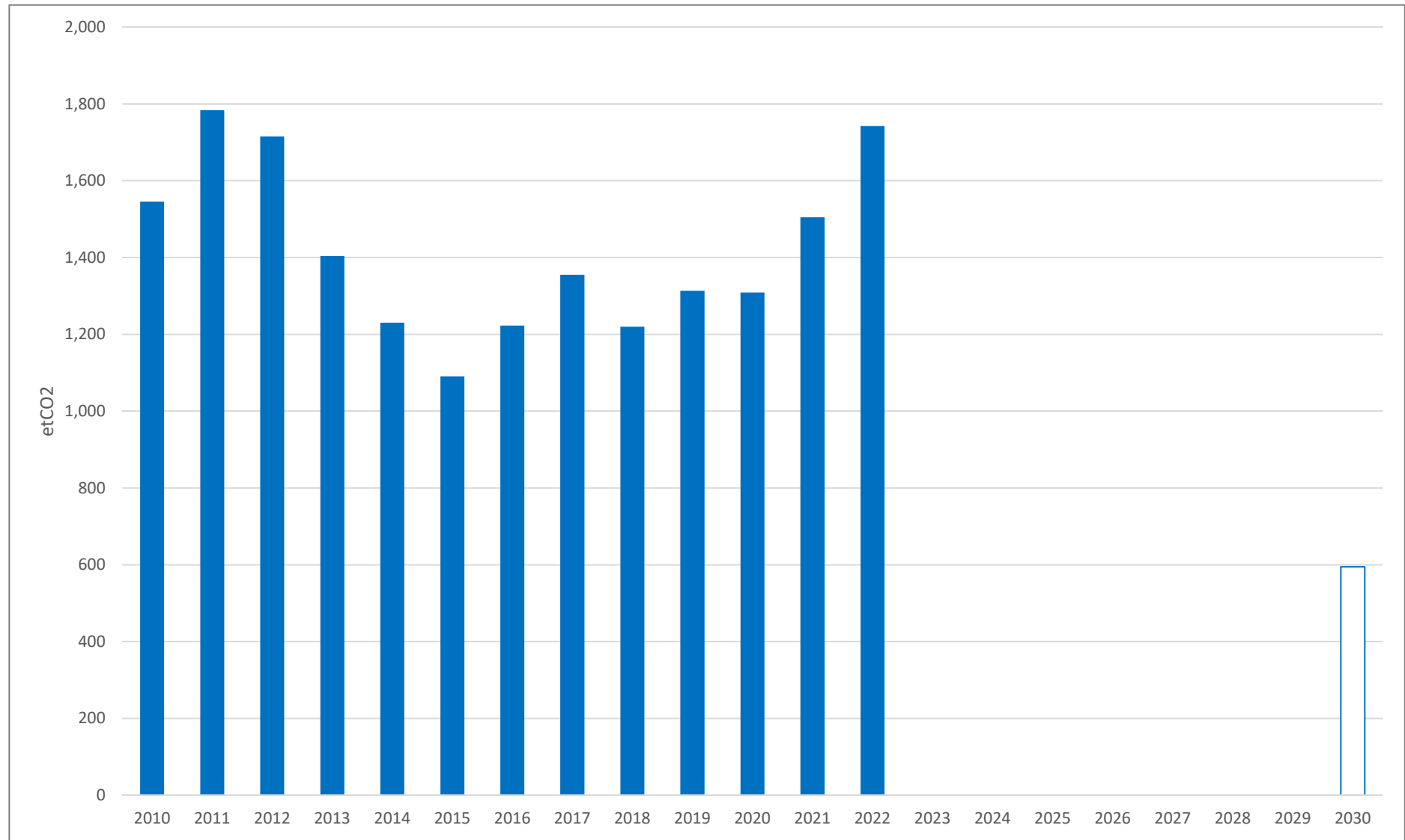
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# Buildings



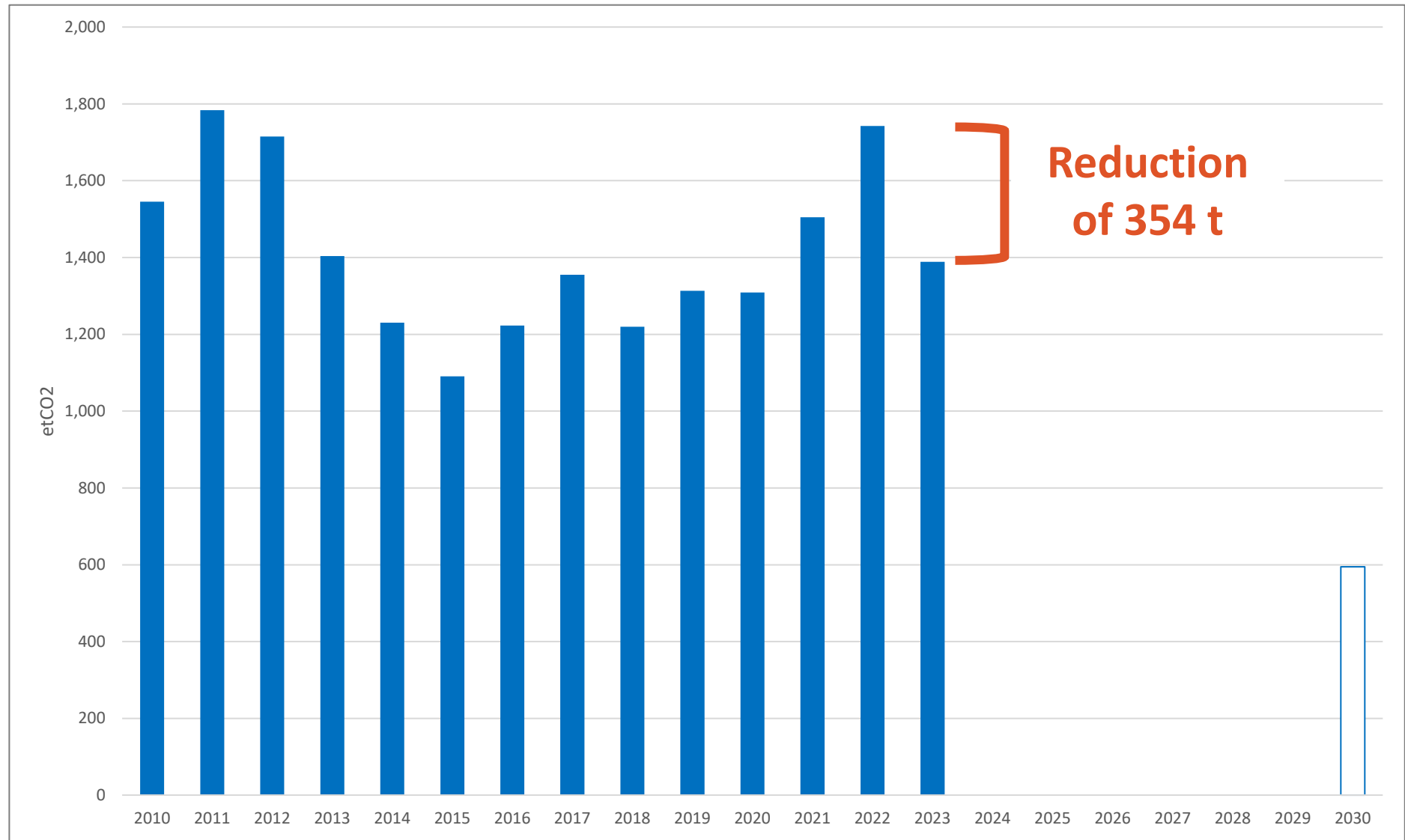
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# Buildings



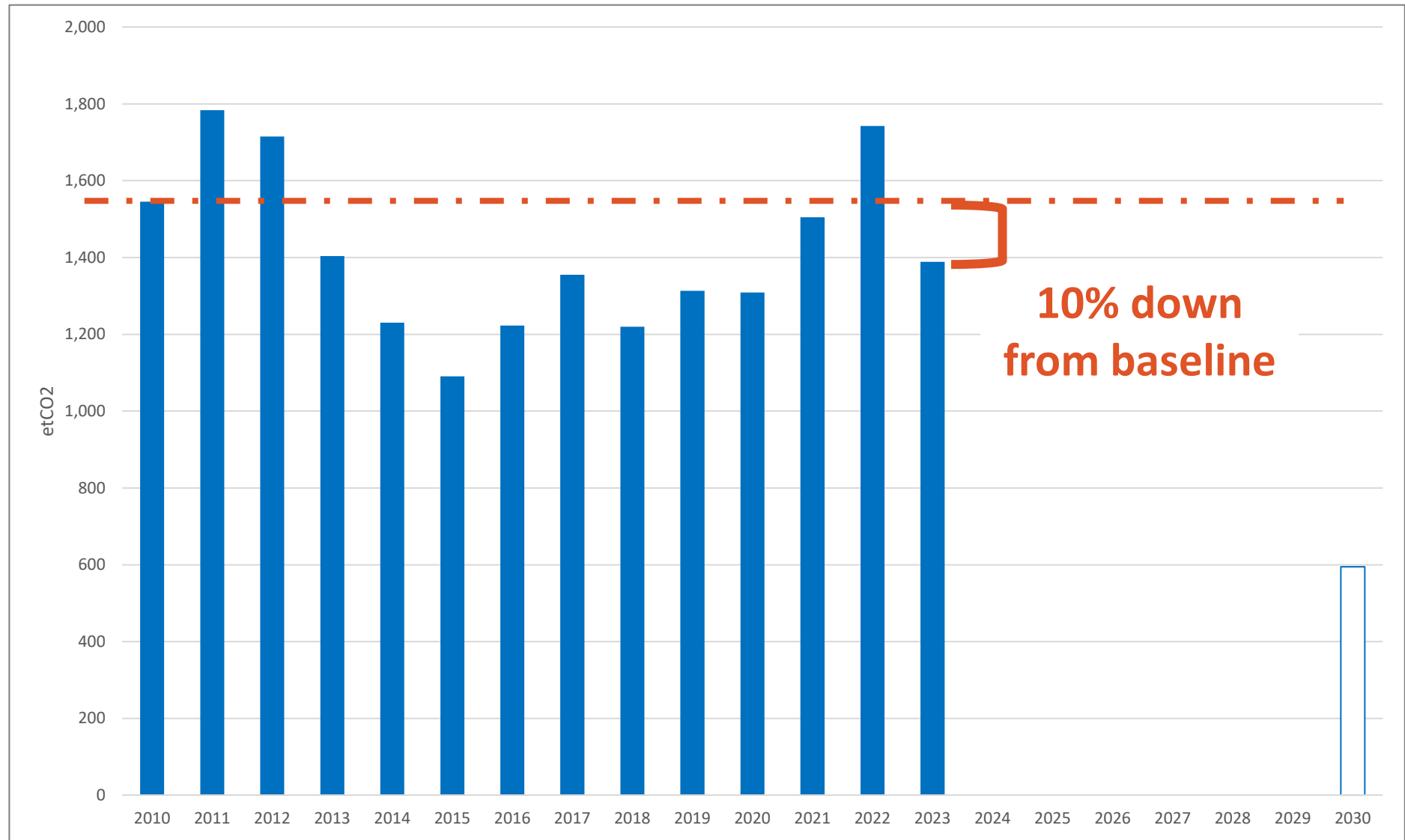
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# Buildings



Rede

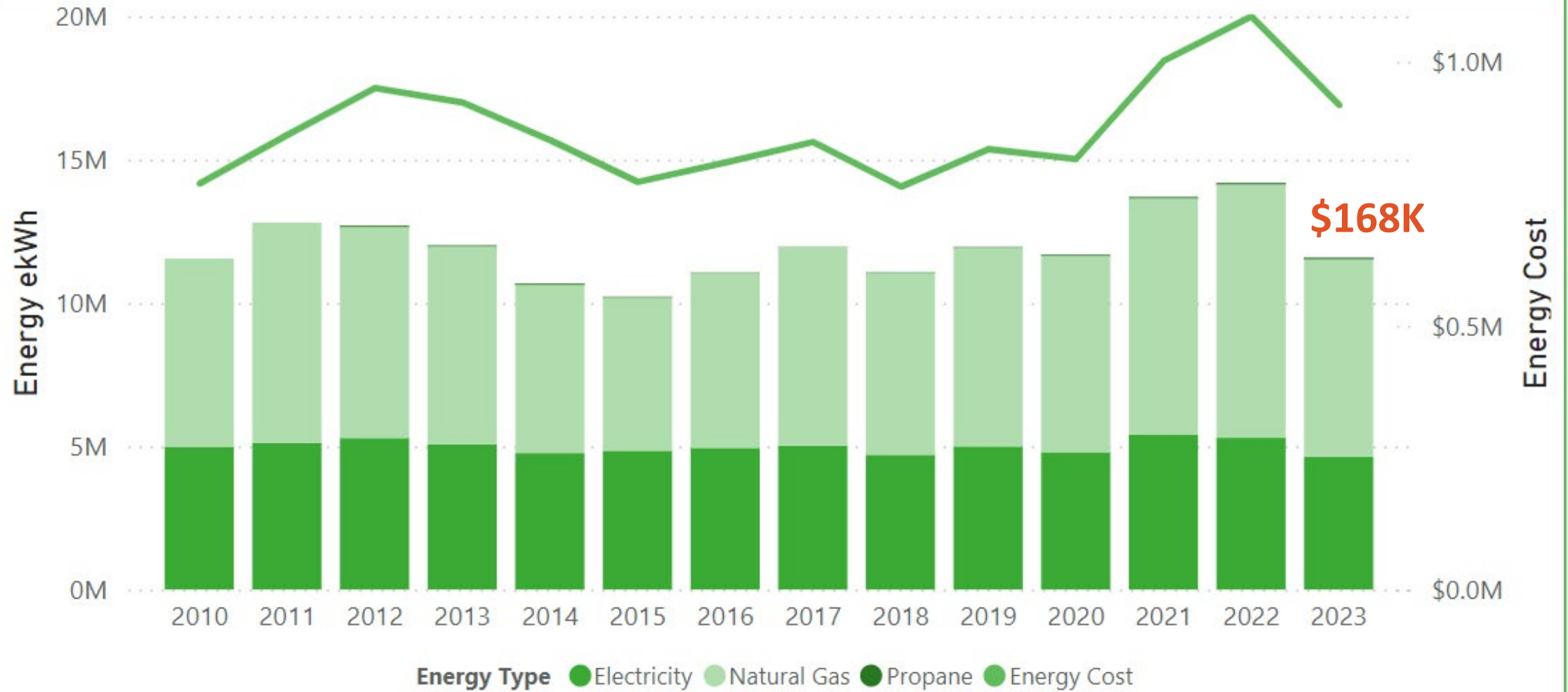
# Buildings



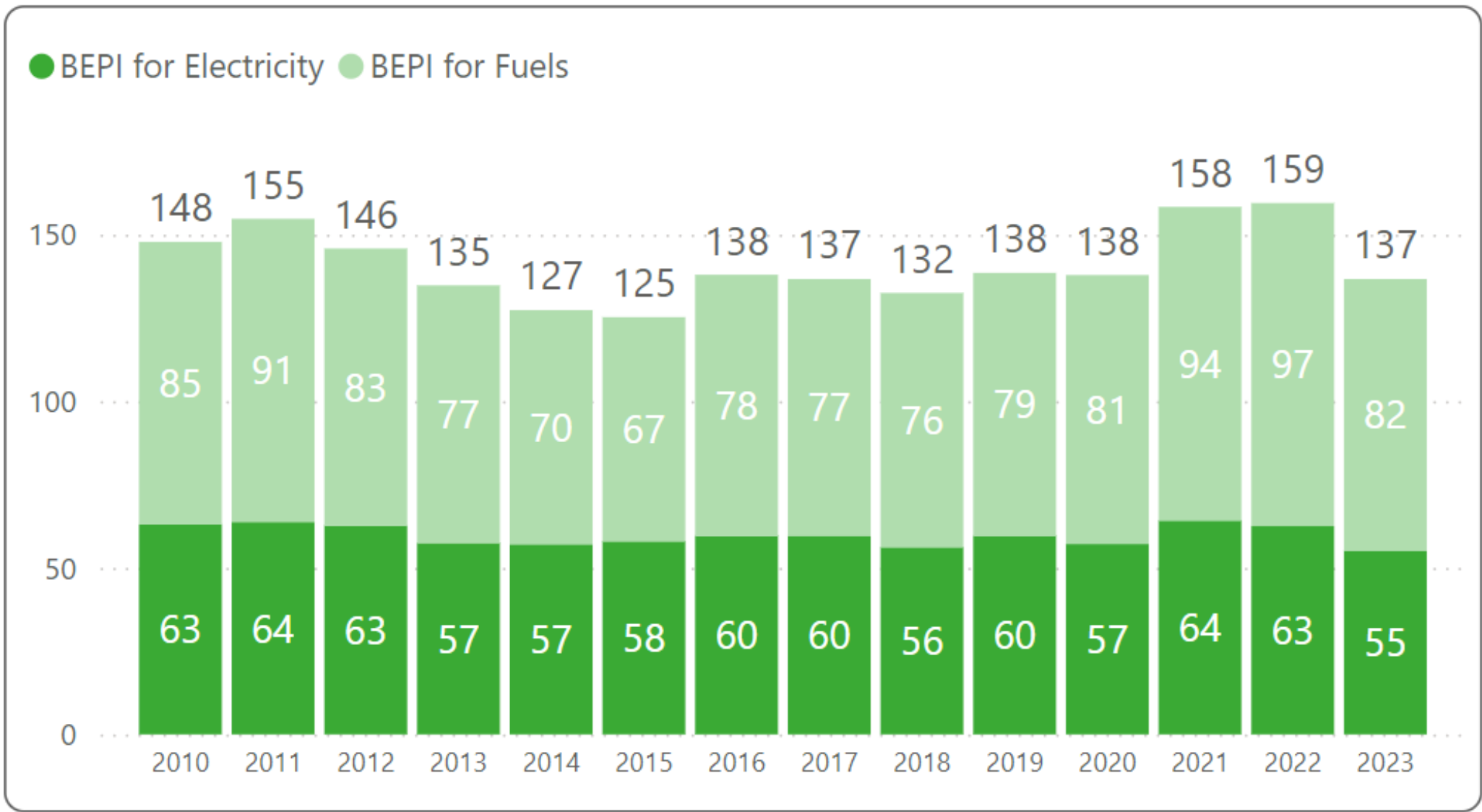
10% down  
from baseline

Rede

# Annual Energy Distribution



Rede

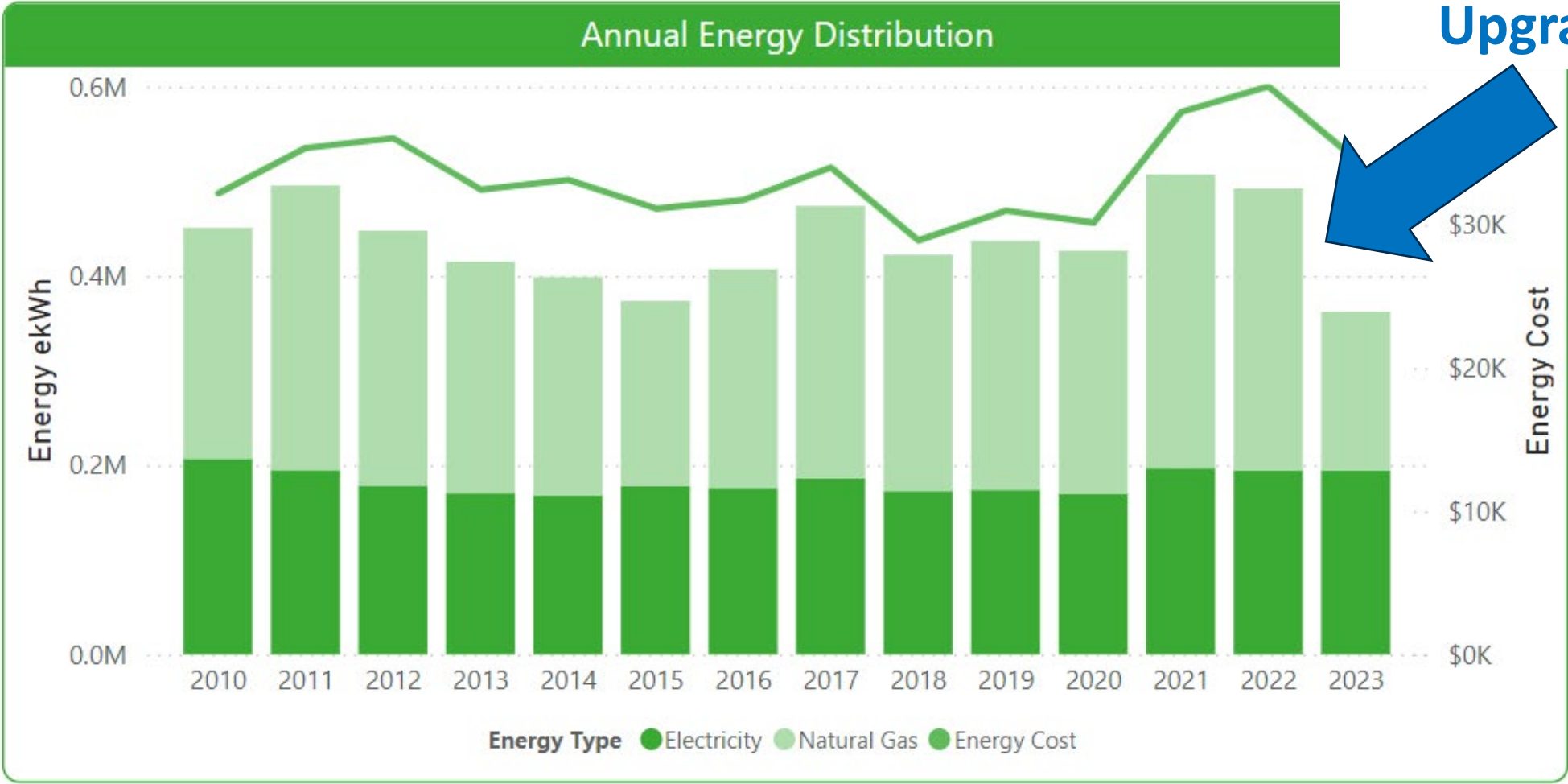


Rede



# Deep Cove

**Mechanical  
Upgrades**

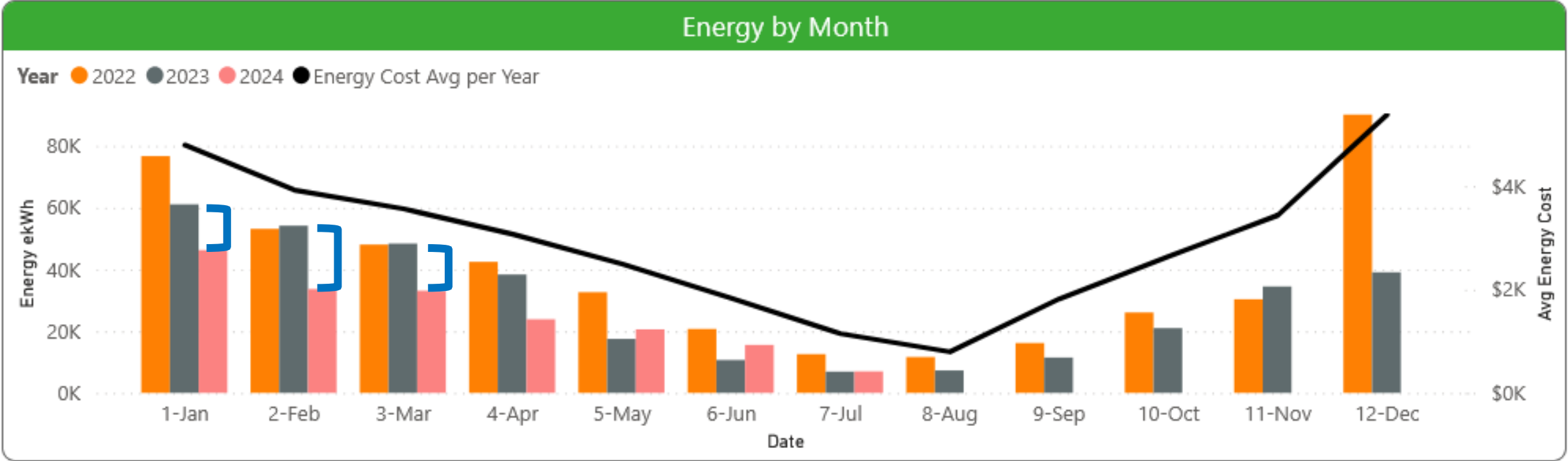


Rede

**24 t GHG Reduction**

*Actual consumption*

# Deep Cove



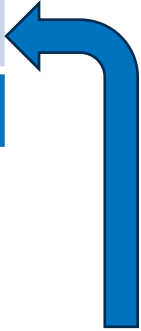
Rede

Continued improvement in 2024

Normalized consumption

# Deep Cove

	2021-22	2022-23
Deep Cove	Phase 1 \$960K	Phase 2 \$1.17M
<b>GHG Savings (t/year)</b>	<b>0</b>	<b>75</b>



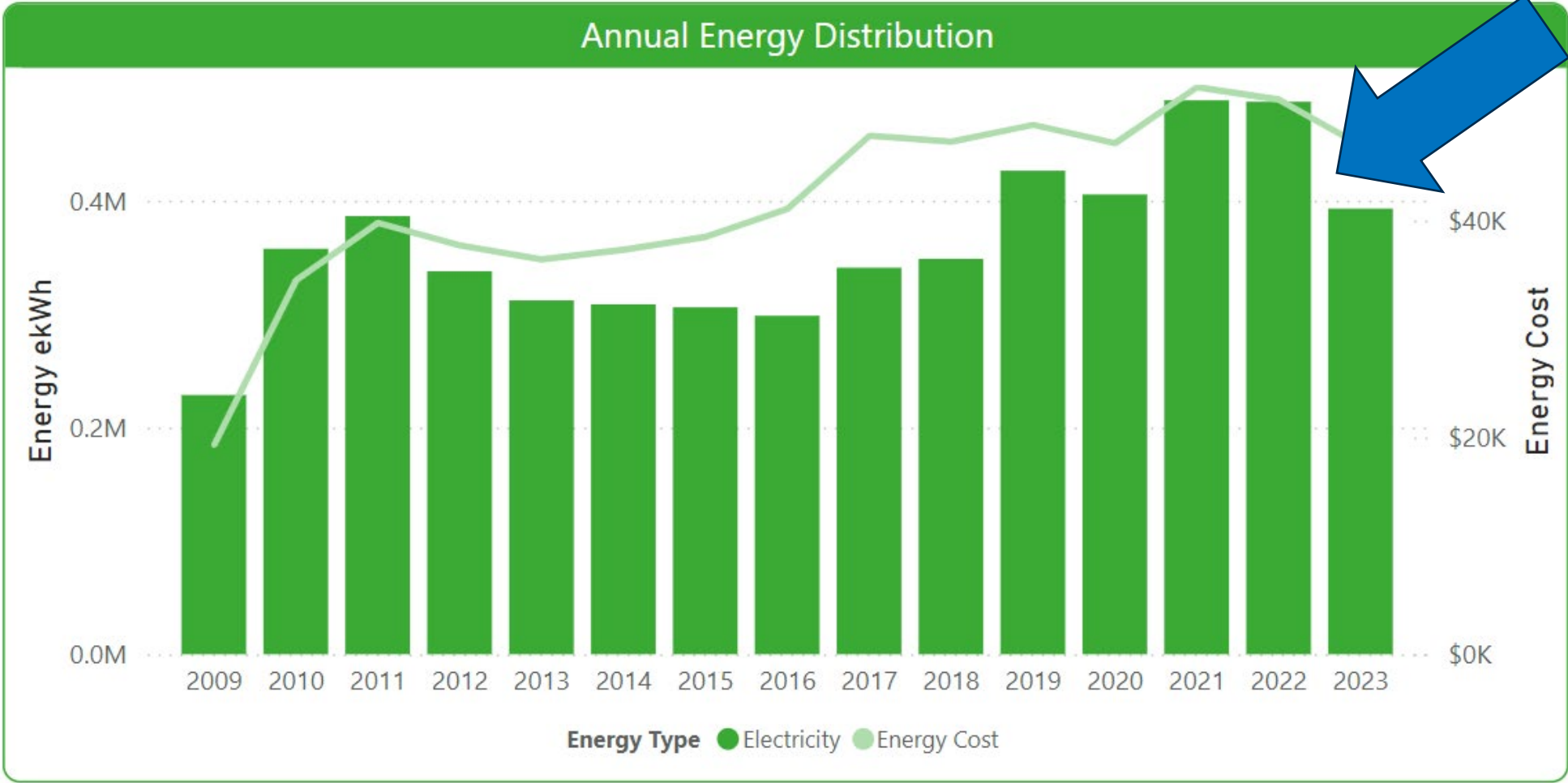
## 2023-24 Capital Funding

Deep Cove Elementary	SEP - HVAC Upgrades	\$750,000	Proceed to design, tender & construction. To be completed by March 31, 2024.
Deep Cove Elementary	CNCP - HVAC Upgrades	\$420,000	Proceed to design, tender & construction. To be completed by March 31, 2024.

Rede

# Brentwood Elementary

Heat Pump Replacement



Rede

# BC Hydro Continuous Optimization



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Keating Elementary  
Lochside Elementary  
North Saanich Middle School  
Brentwood Elementary  
Cordova Bay Elementary  
Kelset Elementary  
Sidney Elementary

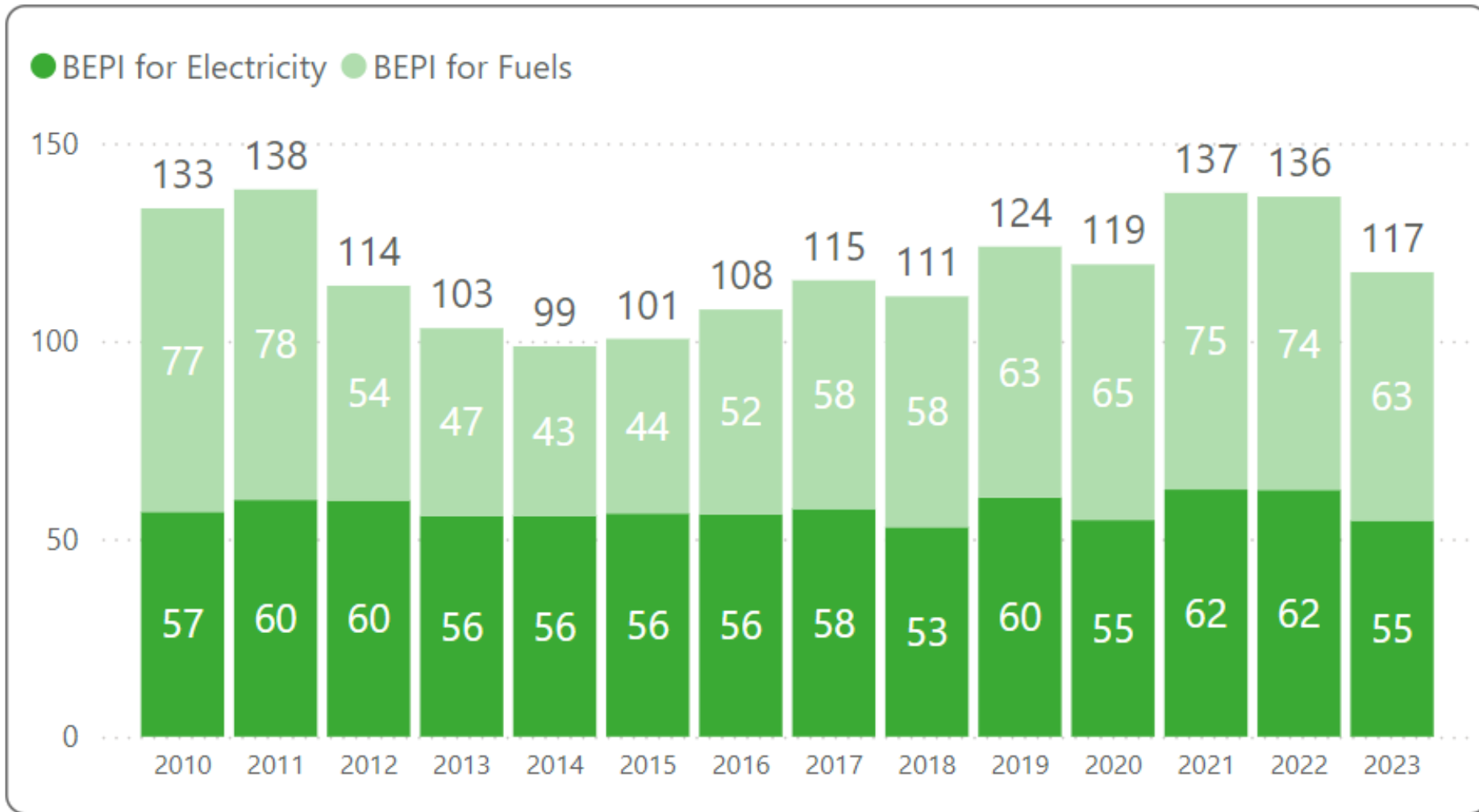
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Rede

# Keating Elementary

		Anticipated Annual Savings	Cost to Implement	Payback (years)
ECM 1	Holiday Calendar	\$450	\$250	0.6
ECM 2	AHU1 Demand-Based Fan Speed	\$607	\$825	1.4
ECM 3	Secondary Hot Water Circulator Sequencing	\$582	\$625	1.1
ECM 4	AHU6 Constant Operation / Setback Adjustment	\$375	\$1100	2.9
ECM 5	AHU3 Outdoor Air Damper Reset, Commissioning	\$411	\$1650	4.0
ECM 6	AHU1 Demand-Based Fan Speed and Zone Isolation	\$898	\$10,175	11.3

Rede



Rede

7 Sites Collectively, Normalized

# BC Hydro Continuous Optimization



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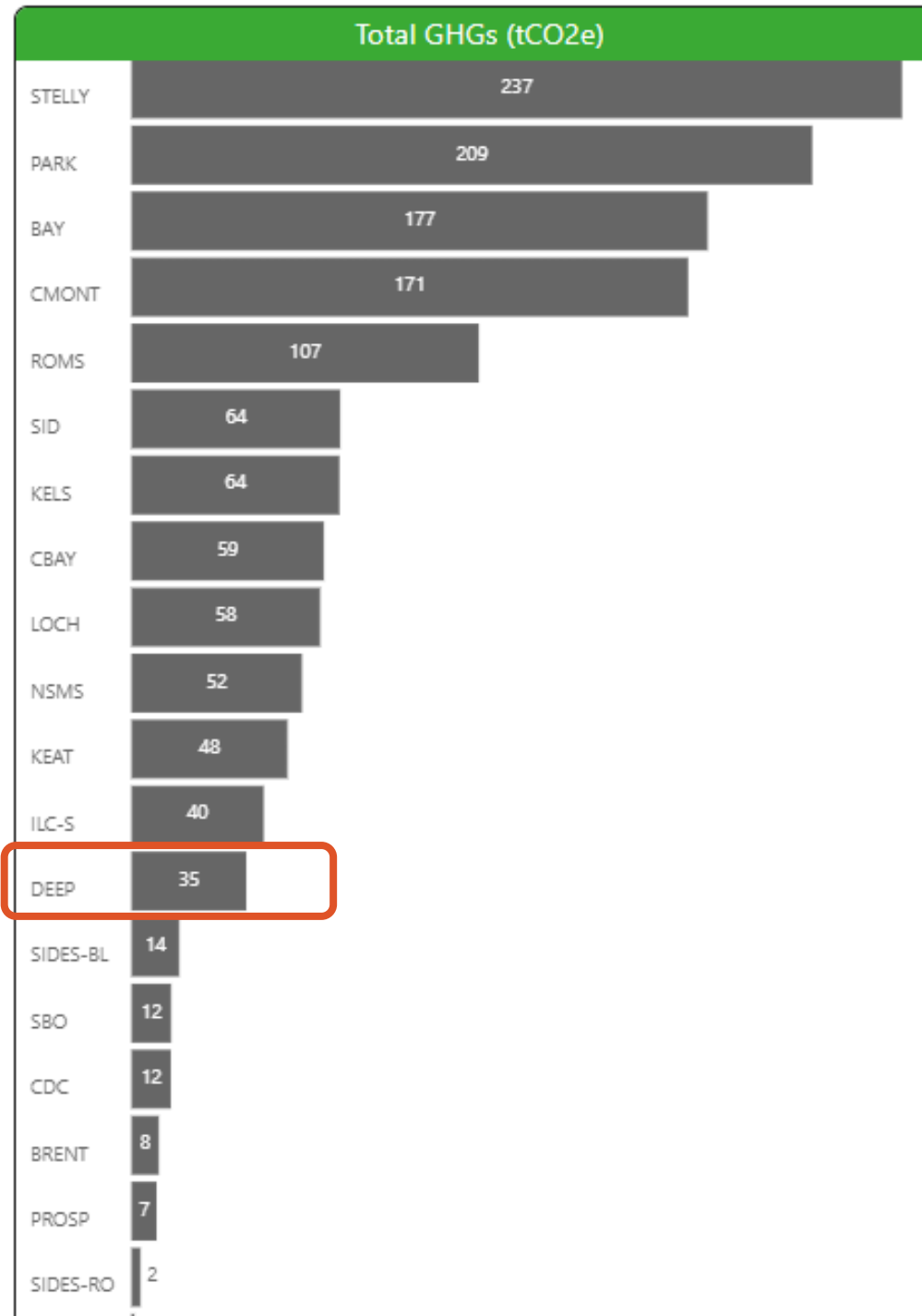
Royal Oak Middle School

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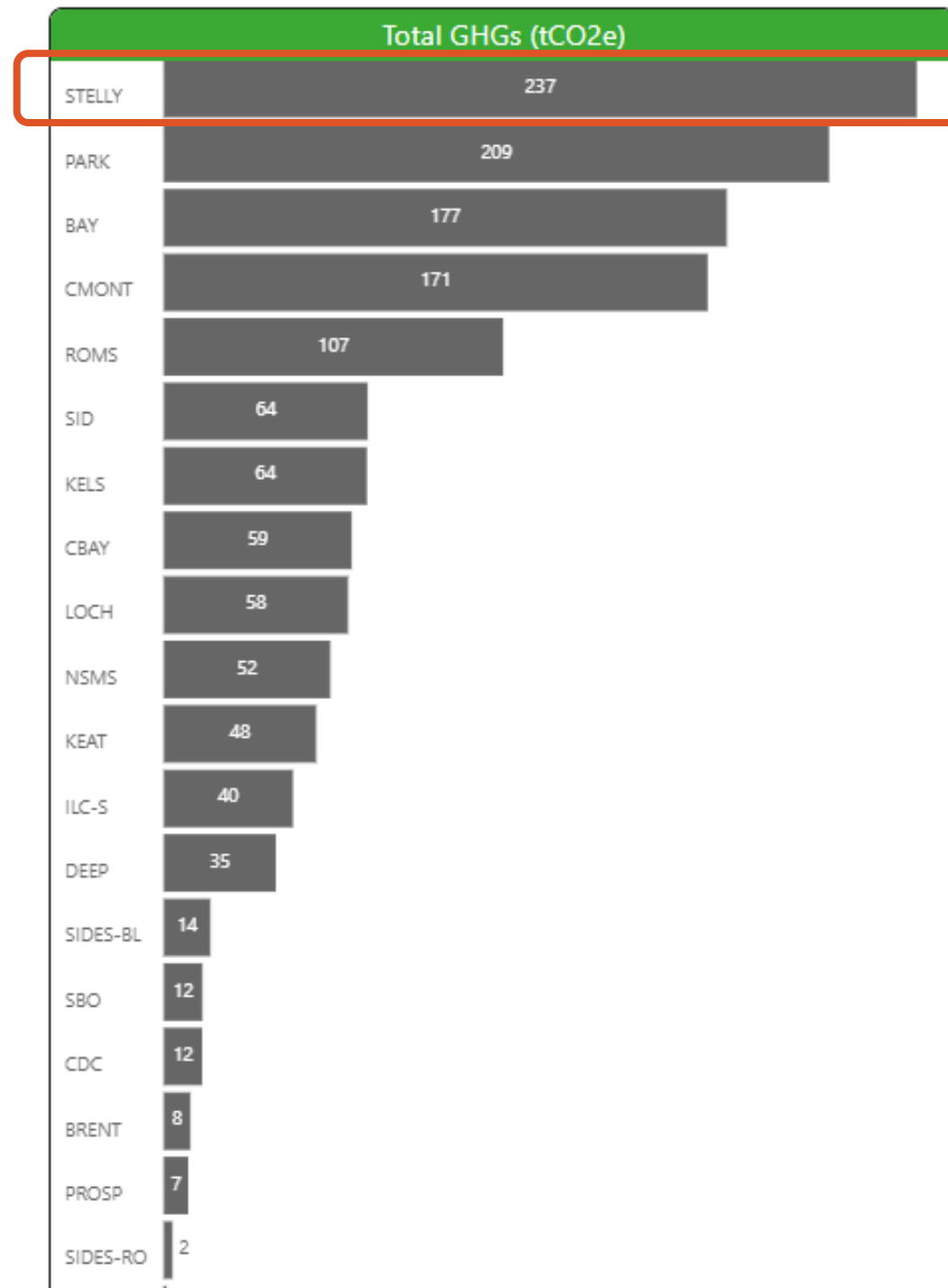


# Strategic Priorities



Rede

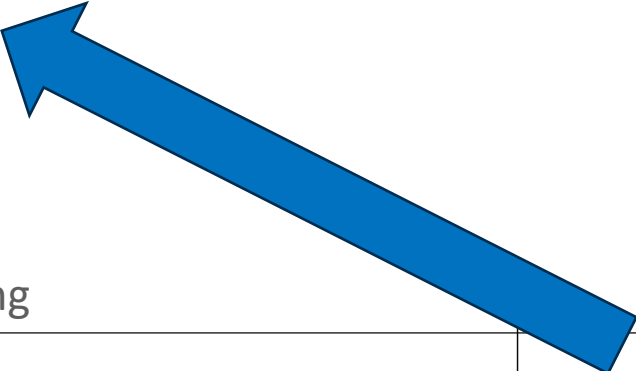
# Strategic Priorities



Rede

# Building Upgrade / Electrification

Stelly's	Phase 1 \$1.59M	Phase 2 \$1.59M	Phase 3 \$1.45M	Phase 4 \$1.38M
<b>GHG Savings (t/year)</b>	<b>200</b>			

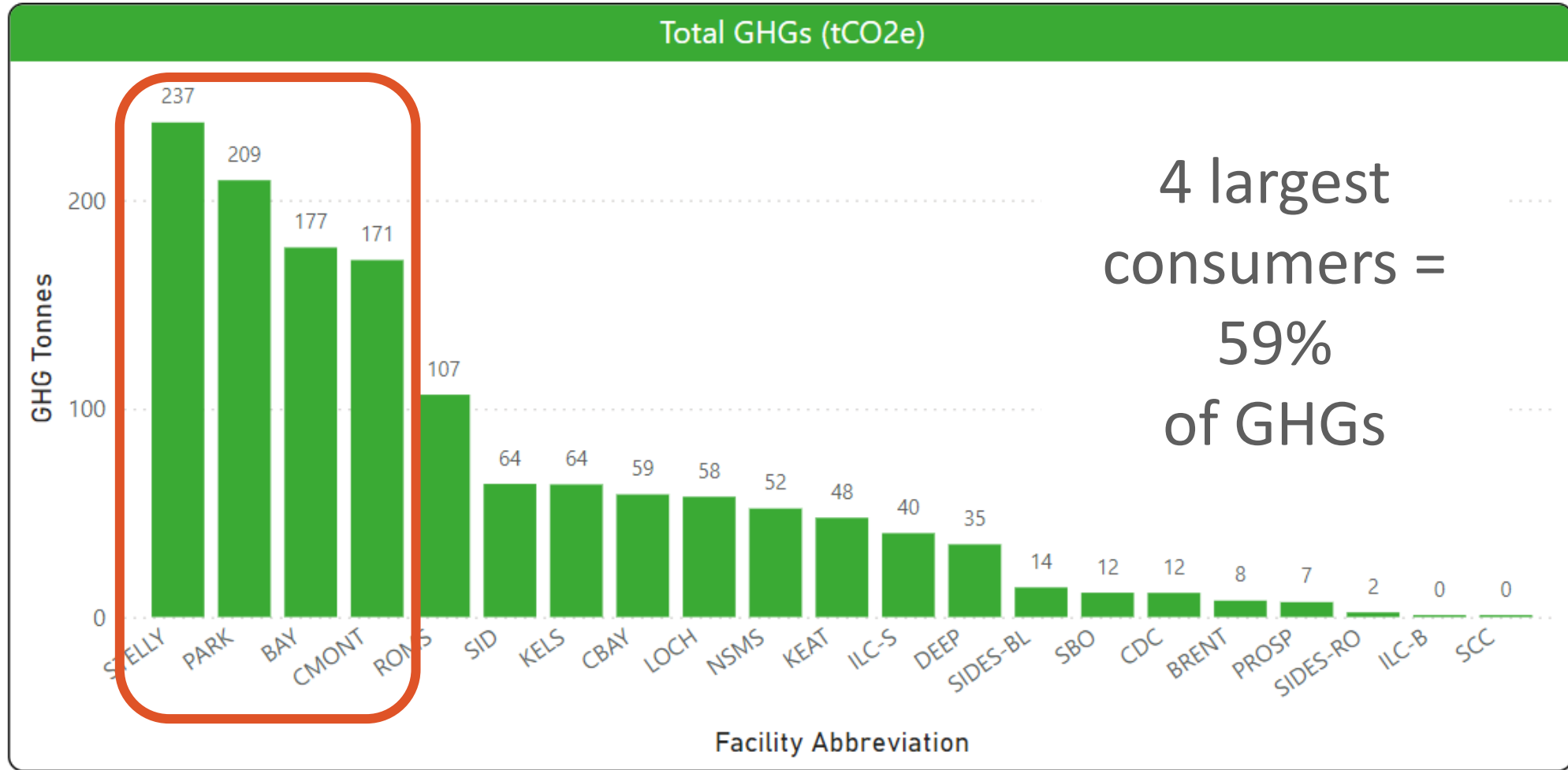


## 2024-25 Capital Funding

Stelly's Secondary	SEP - HVAC Upgrades	\$1,000,000	Proceed to design, tender & construction. To be completed by March 31, 2025.
Stelly's Secondary	CNCP - HVAC Upgrades	\$600,000	Proceed to design, tender & construction. To be completed by March 31, 2025.

Rede

# Strategic Priorities



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# Cost to Complete

Facility	Central Plant Costs	GHG Savings (t)	Zone Costs	GHG Savings (t)	Total GHGs
Bayside Middle School	1,485,000	118		46	164
Claremont Secondary	1,235,000	80		44	124
Cordova Bay Elementary	155,000	14		32	46
<input checked="" type="checkbox"/> Deep Cove Elementary	940,000	29		16	45
ILC - Saanichton	675,000	30		13	43
Keating Elementary & DRC	605,000	33		13	46
Kelset Elementary	750,000	36		23	59
Lochside Elementary	625,000	43		23	66
North Saanich Middle School	405,000	40			40.1
Parkland Secondary	1,225,000	119		66	185
Royal Oak Middle School	435,000	110			110
School Board Office	60,000	7			7
Sidney Elementary	565,000	54		2	56
SIDES - Beaver Lake	810,000	15			15
<input type="checkbox"/> Stelly's Secondary	1,135,000	114		85	199
	<b>\$11,105,000</b>	<b>842</b>	<b>\$25-\$30M</b>	<b>363</b>	<b>1,205</b>

Rede

# Buildings – Funding Gap

- \$1.5M AFG funding
- \$1M SEP funding
- \$500k CNCP funding

~1205 t reduction

Need \$30 - \$40M

Expecting \$3.5 M (\$500k x 7 years)

**Funding Gap = \$27M - \$37M, or \$4-5M per year**

Rede

# Other Funding Options

## Provincial Government

### CleanBC Custom Incentives

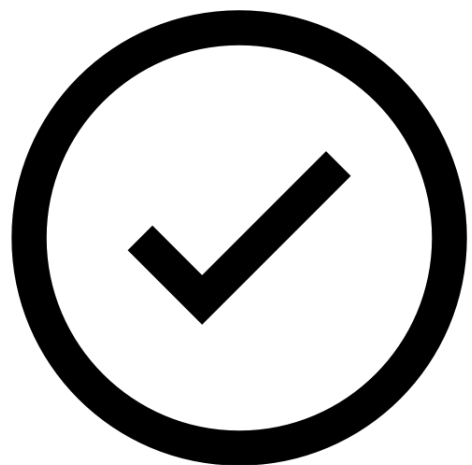
- Max \$200,000 per project
- Max \$750,000 per customer
  
- Funded at \$40/t of lifetime savings
- Stelly's \$40/t x 15y x 200-270t
- = \$120-160K

## Federal Government

### Low Carbon Economy Fund (2022)

- Min \$1M per application
- Max \$25M per application
- 50% cost sharing

Building Electrification retrofits don't have a sufficient ROI to qualify for funding.

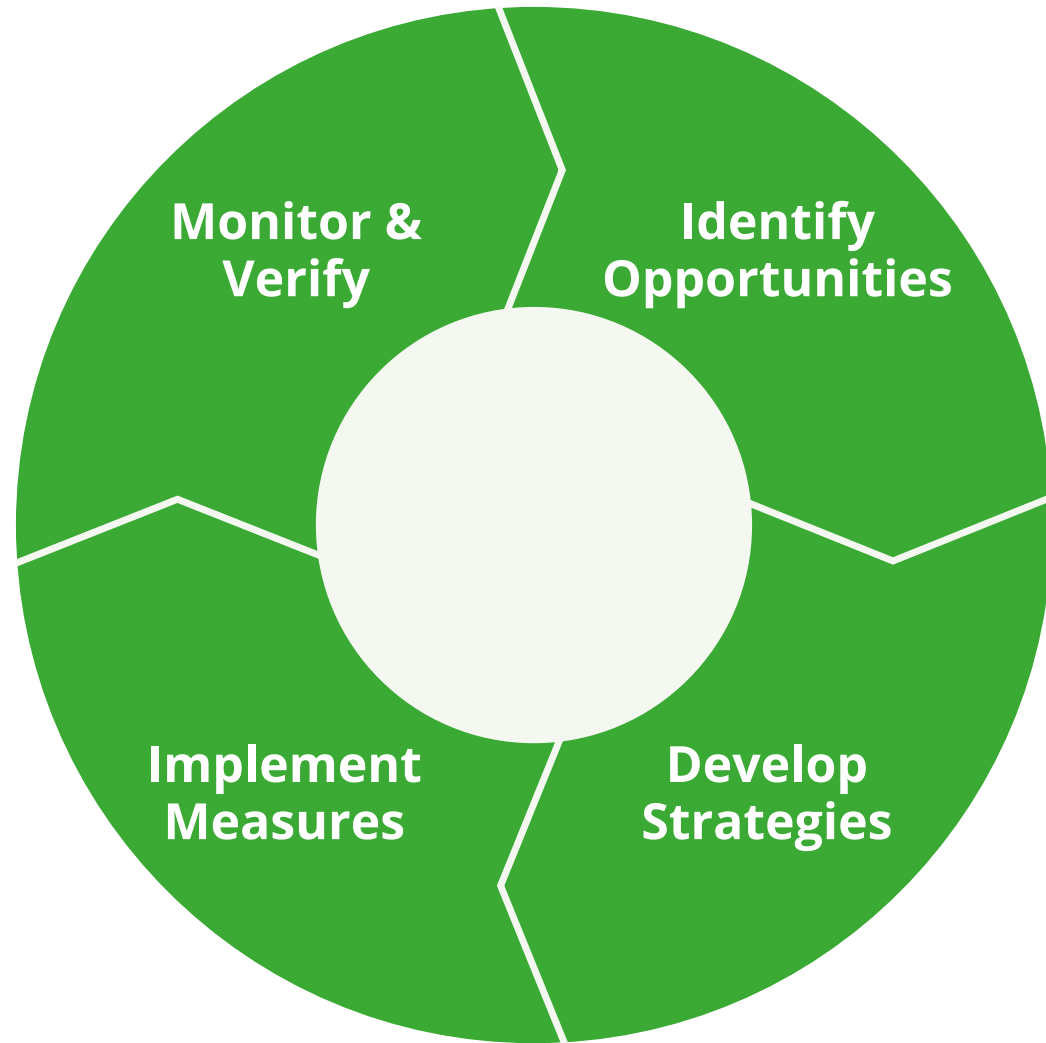


Other  
Initiatives

Rede



# Energy Management



Rede

# Utility Monitoring

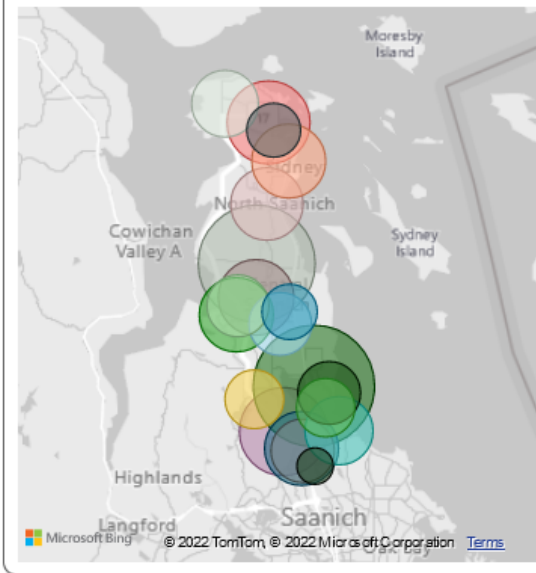
## SD63 Saanich School District

Organization

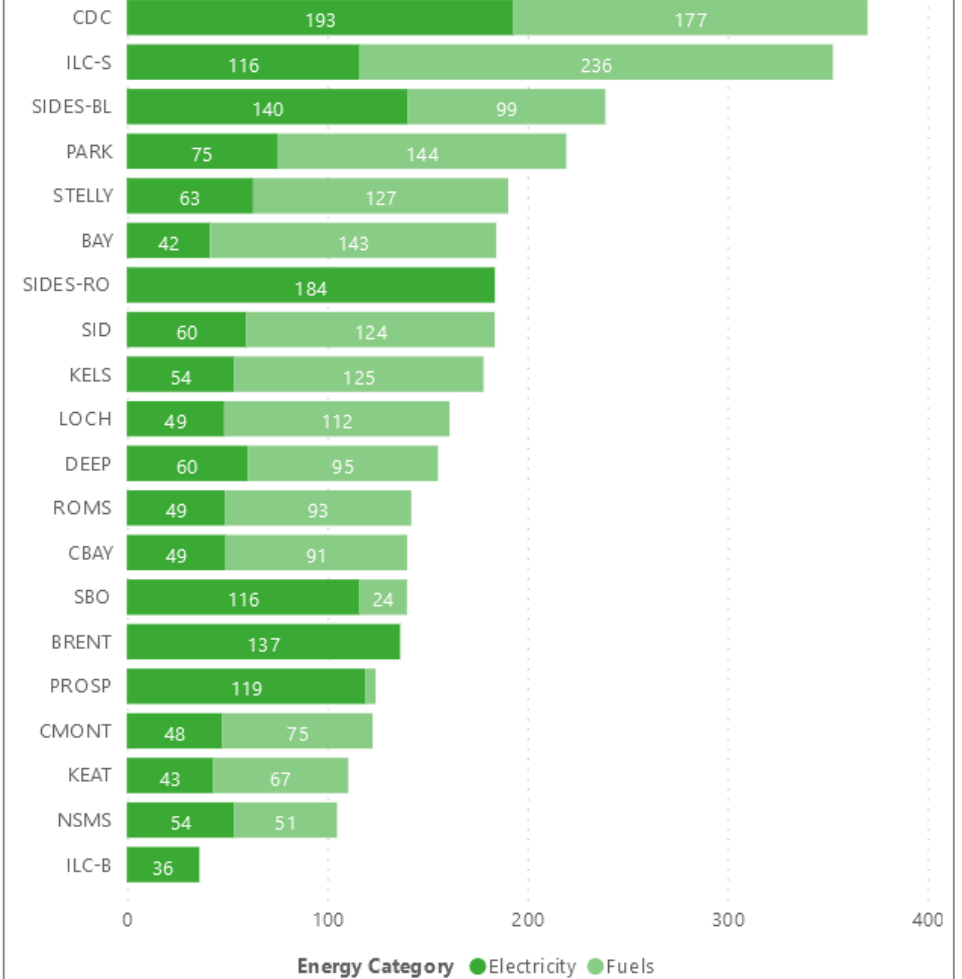
**163**

BEPI

### Facility Map



### Building Energy Performance Index (ekWh/m2)



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# BC Hydro Demand Response Program



- 5% reduction
- Up to 4 hours each
- 20 events per season
- \$50/kW earned

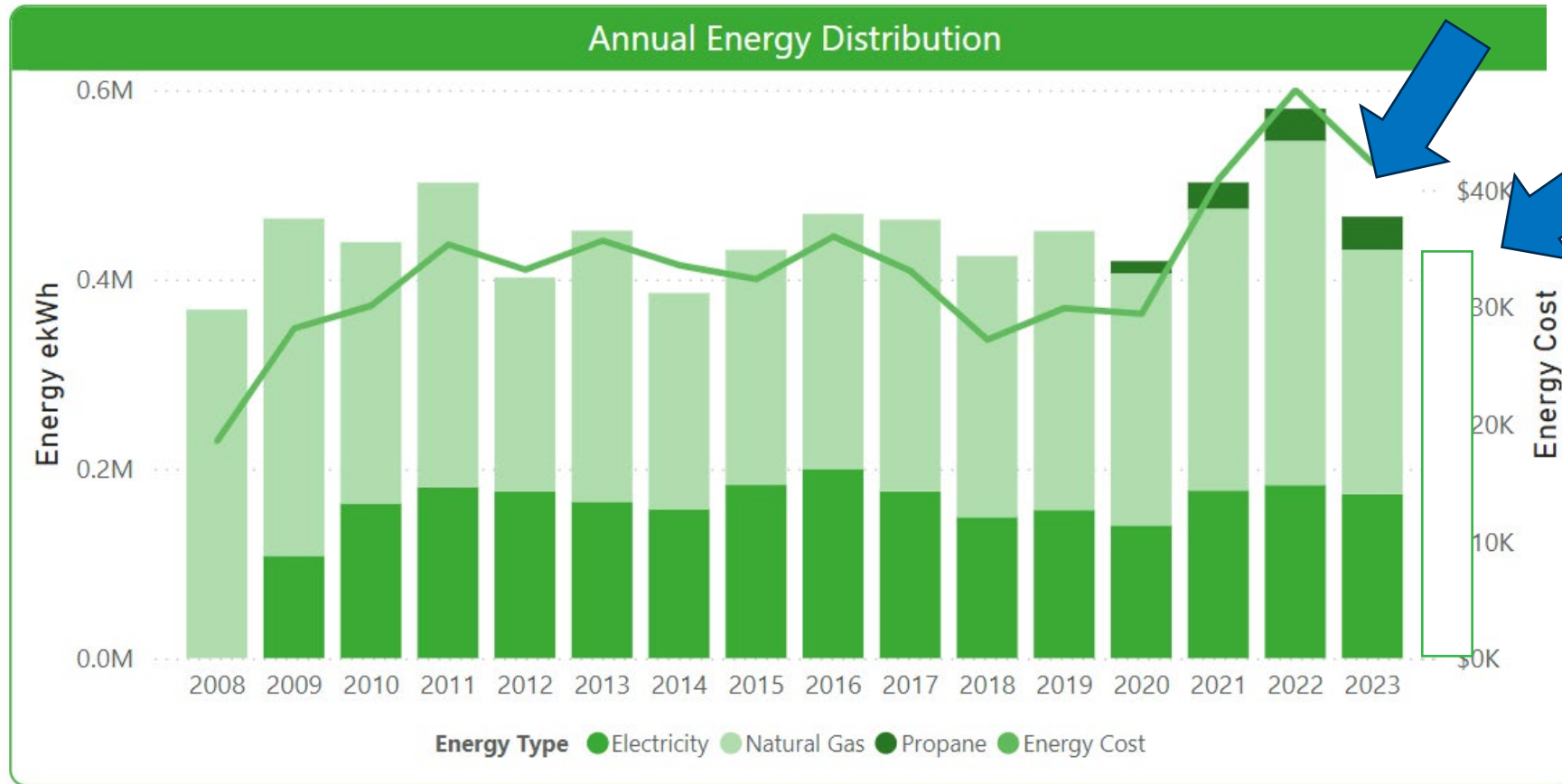
100% opt-out control

Rede

# Cordova Bay

BC Hydro  
C-Op

Heat Pump  
Replacement

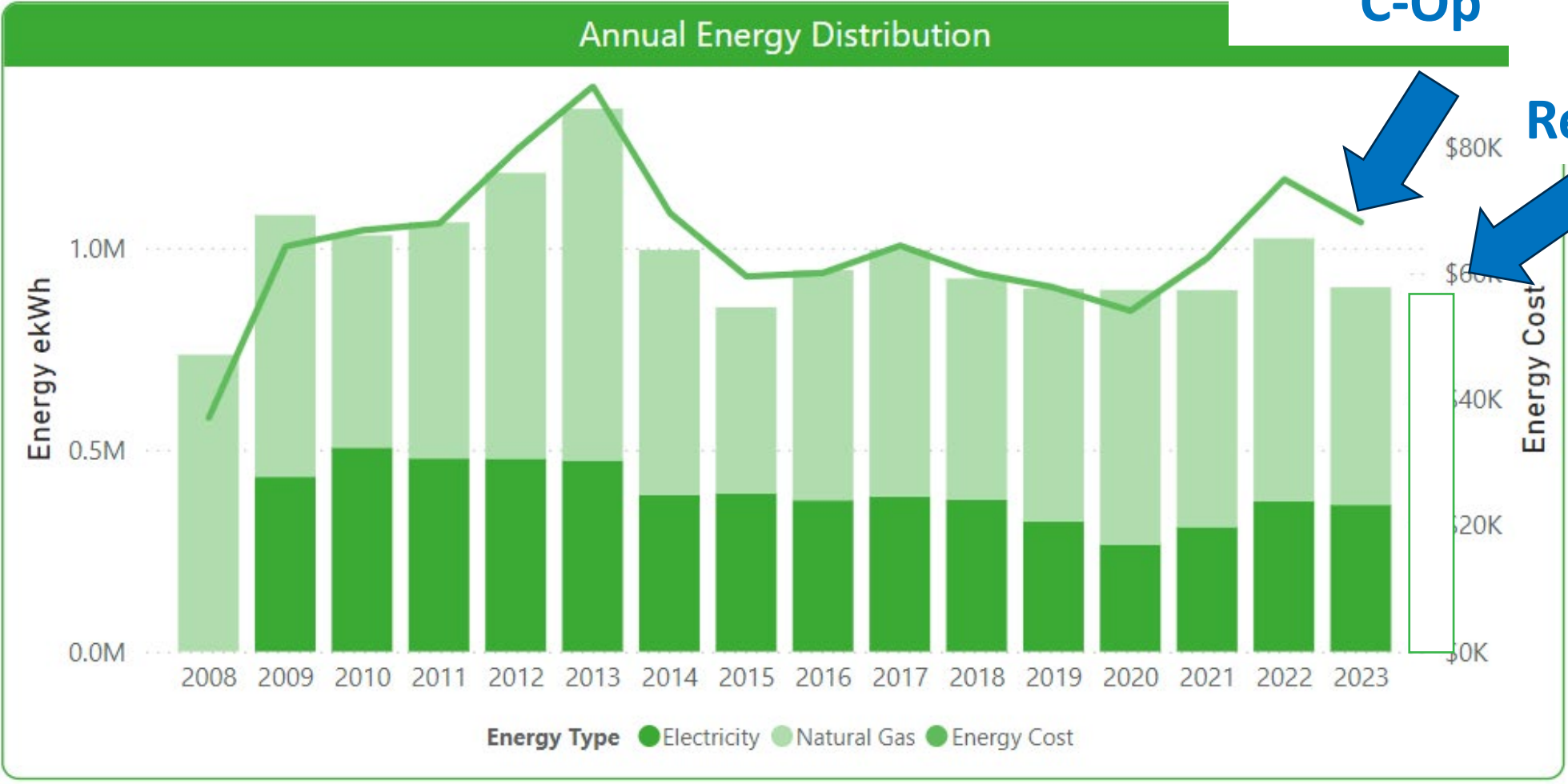


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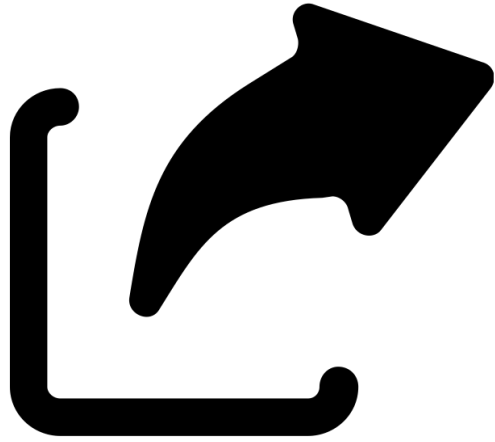
# Royal Oak Middle School

BC Hydro  
C-Op

Boiler  
Replacement

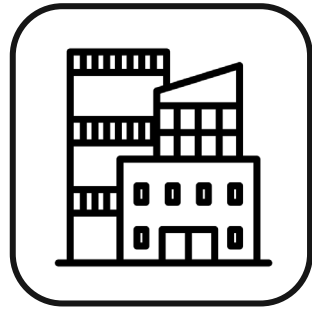


Reade

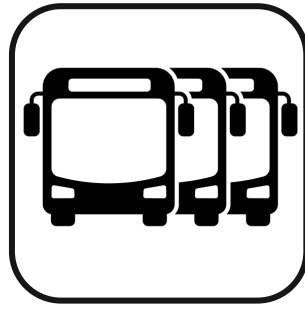


Next Steps

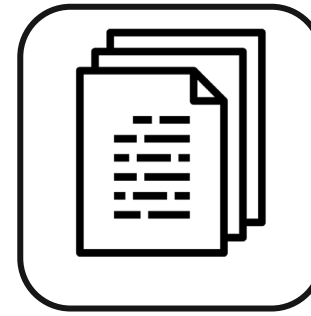
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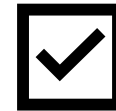
Buildings



Fleet



Paper



Rede

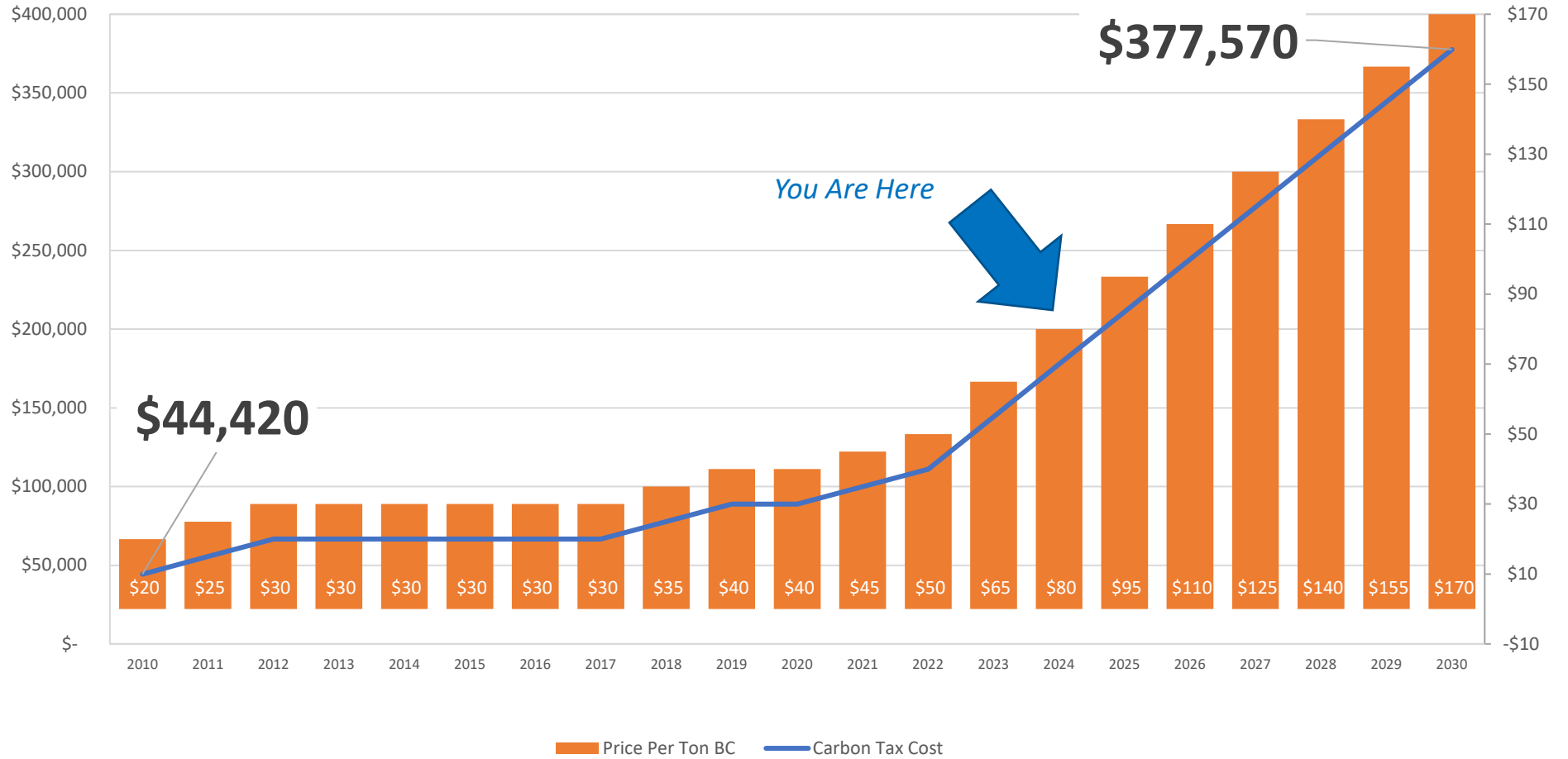
A reminder...

Rede



# Carbon Tax Escalation

(does not include cost of offsets)



Rede

Projection based on GHG emissions from 2010 Baseline

# Advocate for Spending Priorities

Every **\$1** spent  
reducing risk  
can save **\$15** in  
post-disaster  
recovery costs

Rede



**UNDRR** United Nations Office for  
Disaster Risk Reduction

[www.undrr.org/annual-report/2022](http://www.undrr.org/annual-report/2022)



Rede

To: Finance, Facilities & Technology Committee

Prepared By: Jason Reid

Subject: 2024 – 2027 Multi-Year Financial Plan

Date: October 10, 2024

**Purpose and Background**

The purpose of this briefing note is to recommend Board approval of the annual multi-year financial plan, and to advise on options in response to Board direction that staff create a plan with options to address the structural budget shortfall.

The multi-year financial plan was prepared for the first time last year. This plan outlines how financial decisions are made and how they support the strategic and operational priorities of the Board of Education. Last years’ financial plan highlighted that the district’s ability to balance future budgets poses a significant risk to program continuity.

Following the 2024/25 budget development process last spring, the Board adopted the following motions (at the May 8, 2024 Special Budget Board meeting):

*“That staff be directed to create a plan with options to address the structural budget shortfall with a report provided to the Board in the fall of 2024.”*

*“That the Board develop an advocacy plan to address the structural budget deficit in advance of the budget deliberations for 2025/26.”*

As I reported in September 2024, for the year ended June 30, 2024, the district’s revenue exceeded its expenses resulting in an annual surplus of \$1,747,241 (2023 result was an annual deficit of \$346,161). This was comprised of the combined financial results of the operating fund and the capital fund as follows:

Annual Surplus (Deficit)	June 30, 2024	June 30, 2023
<b>Operating Fund</b>	<b>3,100,714</b>	<b>(335,514)</b>
Capital Fund	(1,353,473)	(10,647)
Combined	1,747,241	(346,161)

In the operating fund, the annual surplus of \$3,100,714 represented savings relative to budget and resulted in accumulated operating surplus increasing from \$3,659,443 at the beginning of the year to \$6,760,157 as at June 30, 2024.

Actual annual operating surplus in 2023/24 exceeded budget and prior year primary due to the following:

- Operating funding exceeded budget by \$1.0 million due to higher than budgeted enrolment (February and May enrolment counts, and graduated adults), attributable to growth in online learning enrolment.
- Investment income exceeded budget by \$0.3 million due to historically high interest rates.
- Service and supply expenditures were below budget by \$2.1 million and below prior year by \$0.2 million. Reduced expenditure in 2023/24 of targeted program grants and equipment replacement budgets increased the component of accumulated surplus allocated to multi-year program carry-forwards.

In September 2024, the Board approved the following appropriations of accumulated surplus (blue column):

	Budget 2024/25	Budget 2023/24	
	2023/24 Financial Statements	2023/24 Amended Budget	2022/23 Financial Statements
School Activities (multi-year funding)	431,369	252,928	252,928
District Activities (multi-year funding)	1,477,760	522,701	522,701
Appropriated for Budget in Following Year	1,769,467	582,976	1,384,307
<b>Total Internally Restricted</b>	<b>3,678,596</b>	<b>1,358,605</b>	<b>2,159,936</b>
Contingency Reserve (Unappropriated Surplus)	3,081,561	2,300,838	1,499,507
<b>Total Accumulated Surplus</b>	<b>6,760,157</b>	<b>3,659,443</b>	<b>3,659,443</b>

### Multi-Year Financial Plan

The multi-year financial plan is included as an attachment to this briefing note.

For the 2024/25 fiscal year, accumulated surplus is forecasted to decline by \$1,769,467 which is equal to the accumulated surplus appropriated to fund continuing expenditures. In 2025/26 and 2026/27 this fiscal imbalance is forecasted to grow as inflationary cost pressures exceed funding growth. Over the three-year forecast period accumulated operating surplus is forecasted to decline from \$6.8 million to \$1.0 million.

A key assumption in the plan is that forecasted expenditures will equal budgeted expenditures. As budgeted expenditures reflect some conservatism; it is more likely than not that actual expenditures will be lower than budgeted expenditures overall. However, this conservatism could easily be offset by inflationary cost pressures, as occurred in fiscal 2021/22 when the district incurred an annual operating deficit of \$2.9 million. Therefore, it is prudent to not reflect potential savings relative to budget in the forecast.

Regardless of the inherent uncertainty in forecasting annual results, the plan clearly demonstrates that financial pressure will increase if enrolment growth remains modest (as forecasted) and if the Province continues to not fully fund inflationary costs.

### Options to Address Structural Shortfall

With savings relative to budget occurring in fiscal 2023/24, the Board was able to establish a contingency reserve of \$3.1 million (approximately 3% of 2024/25 budgeted operating revenues). This contingency reserve affords a degree of financial flexibility and the option to defer decisions regarding potential budget reductions until the spring when we are able to more accurately forecast the financial results for fiscal 2024/25. However, as budget reductions may be necessary in fiscal 2025/26 it is also prudent to begin exploring options at this time.

As part of the consultation in the development of the 2024/25 Preliminary Budget, feedback was received on the following question: *“Considering the significant implications of unfunded inflationary pressure, what advice would you give to the Board of Education in developing the 2024/25 Preliminary Budget?”*. During the consultation the following options were presented where budget reductions were possible:

- Instructional staff in excess of contract and legislative requirements
- Daytime custodial support in elementary schools
- Technology plan deliverables (by not fully funding plan)
- Service and supply allocations to schools for program priorities
- Non-core programs: transportation, crossing guards, strong start programs

A summary of the feedback received can be found in the BAC Agenda/Materials for May 2, 2024 on the [Budget Planning webpage](#). The following were the themes in the responses to this question:

- Continue/increase advocacy for funding for inflationary cost pressures.
- There were a variety of revenue generation suggestions, and a number of participants suggesting implementing/increasing fees for transportation.
- Transportation – implement or increase fees / parents should fund the cost.
- Protect funding for (do not cut) instructional programs/staffing.
- There was mixed support (some in favour and some opposed) for reducing Custodial, StrongStart, and Crossing Guards.
- Technology – overall most respondents supported fully funding the technology plan.
- Some suggested reducing administration.

The option that received the greatest support through the consultation was increasing bus fees to fund more of the cost of transportation services.

Staff Recommendation

That the Board approve the 2024 - 2027 Multi-Year Financial Plan.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jason Reid".

Jason Reid  
Secretary-Treasurer

JR/klg

Attachment: 2024 – 2027 Multi-Year Financial Plan



**2024 - 2027**

# **Multi-Year Financial Plan**

**Prepared October 2024**



The 2024 – 2027 Financial Plan outlines the financial processes and information used to make financial decisions that support the Board’s strategic and operational priorities. The school district’s budget is a financial plan that supports student achievement through allocation of funding in alignment with the Board’s strategic plan.

## **District Overview**

The Saanich School District enrolls close to 8,000 students in a number of neighbourhood and special program schools. Neighbourhood schools include eight elementary schools, three middle schools, and three secondary schools. The district also provides educational programming at the Children's Development Centre, two Individual Learning Centres, an online learning school called SIDES (South Island Distance Education School), and at SISP (Saanich International Student Program).

The [boundaries](#) of the Saanich School District extend north from the Royal Oak and Broadmead neighbourhoods in Saanich encompassing the Saanich Peninsula and surrounding islands. In addition to a portion of Saanich, the boundaries of the school district include Central Saanich, North Saanich and Sidney. School age enrolment is forecasted to remain stable or growth only modestly over the next decade.

The school district is comprised of about 1,000 employees, including teachers, support staff, principals and vice principals, and administrative staff.

## **Board of Education**

The School District is governed by a publicly elected [Board of Education](#) comprised of seven Trustees representing the communities of Saanich, Central Saanich, North Saanich and Sidney.

The [Board Policy Handbook](#) highlights and supports the important governance function of the Board. It defines the role of the Board, the role of the Superintendent of Schools and the delegation of authority from the Board to the Superintendent.

The key responsibilities of the Board of Education include:

- Improvement of student achievement and individual success
- Accountability to and engagement of the community
- Strategic planning and reporting
- Policy development, implementation and evaluation
- Political advocacy/influence

The current Board was elected in 2022 for a four-year term.

## **How Financial Planning Aligns with and Supports the Strategic Plan**

### Budget Development

Effective implementation of the Board’s strategic plan requires alignment of budget decisions with strategic plan priorities. An overarching responsibility of the Board in [Board policy 2 \(Role of the Board\)](#) is the “Improvement of student achievement and individual success” and this policy states that the Board shall ensure the strategic plan includes strategies to improve student achievement, and that initiatives to improve student outcomes are reflected in the annual budget.

Prior to commencing the annual budget consultation process, each year the Board approves guiding principles to guide the budget consultation process (link to [2024/25 Budget Planning Documents](#)). For

the 2024/25 budget consultation, these principles included that the Saanich Board of Education will keep support for students at the forefront of its decisions. As the Board recognizes public education is the responsibility of the whole community, community engagement is key to the decision-making process.

Each year, the Board conducts a comprehensive budget consultation process with the following objectives:

- resource allocation is driven by Strategic Plan priorities and support for students is at the forefront of the Board decisions;
- the process is transparent and includes input through communication and consultation with students, partners, First Nations, and the community;
- compliance with the School Act, collective agreements and other regulatory requirements and Board policy; and
- education program continuity is protected by maintaining an appropriate contingency reserve balance.

The consultation process is overseen by the Budget Advisory Committee (BAC), which provides advice to the Board of Education.

### Budget Planning Timelines

November/December

- Board approves Budget Guiding Principles and Budget Timelines

January

- BAC reviews the Budget Process Consultation Plan and the BAC terms of reference and recommends their approval to the Board of Education

February

- Board of Education approves the BAC terms of reference and the Budget Process Consultation Plan.
- BAC reviews preliminary enrolment forecasts for the following school year, Risk Management Report, and historical budget data analysis.

March

- Staff calculate budgetary balance following confirmation of funding rates for the following fiscal year.

April

- In early April BAC reviews:
  - funding projections and estimated operating fund budget pressure for following fiscal year
  - strategic budget priorities and status of current initiatives to implement strategic priorities
  - community engagement plan including key messages and communications materials
- Community consultation including:
  - Community Budget Meeting
  - Student Voice meetings to discuss the budget consultation process, the context for budget development, and to seek student feedback on budget priorities.
  - Consultation meetings with the WSÁNEĆ School Board, partners, and stakeholders.
  - Community Budget Survey
- In late April, BAC reviews the results of the community consultation and develops a recommendation to the Board of Education to balance the preliminary budget, and may develop further recommendations regarding considerations for future budgets.

May

- The Board of Education adopts the Budget for the following fiscal year.

### Strategic Plan Development

To develop Strategic Plan 2022-2027, the Board of Education engaged in a year-long process of analysis, dialogue and community consultation. Students, parents/guardians, staff, the WSÁNEĆ First Nation and other community members came together to provide input and insights resulting in the identification of the following four Strategic Plan priorities:

▶ **LITERACY** To improve student literacy across the curriculum for all students with a particular focus on early learning

▶ **INDIGENOUS LEARNER SUCCESS** To engage in practices that support culturally responsive and barrier-free learning environments for Indigenous students

▶ **MENTAL HEALTH AND WELLNESS** To promote mental health and well-being through social emotional learning and trauma-informed practice

▶ **GLOBAL CITIZENSHIP** To provide opportunities and experiences that inspire learners to be knowledgeable, curious and active global citizens who support the well-being of oneself, family, community and our environment

The Board's Strategic Plan serves as a framework through which district directions and decisions are considered and initiated. It is our public commitment and acts as a road map to guide the district from where it is to where it wants to be.

### **Financial Plan Overview**

#### How Financial Resources Support Strategic Plan Priorities

Financial resources support the strategic plan through decisions made in the budget consultation process and also through decisions regarding the allocation of established budgets as the strategic plan is operationalized. Operationalizing the strategic plan is informed by focused school and departmental planning and continual engagement including regular student voice sessions focusing on each strategic plan priority area. This work drives how resources are deployed including the focus of district and teacher leadership time and professional development, and the allocation of learning resources budgets.

The following are examples of key initiatives being implemented and resourced in support of strategic plan priorities.

## LITERACY

Implementation of a comprehensive K-12 Literacy Plan with an initial focus on Early Learning including:

- allocation of staffing and resources to more equitability support student need in the district;
- embedding ongoing professional development for teachers;
- using student learning data to track student progress, determine direction and guide practice; and
- implementing resources to support literacy for all students and that reflects diversity and inclusion.

Changes made to budget allocations in support of the Literacy priority include:

- focusing district and teacher leadership time and professional development budgets on implementing the literacy plan, and
- allocation of staffing and resource budget to a broader early intervention program with an equity lens.

## INDIGENOUS LEARNER SUCCESS

The following initiatives are being implemented in support of the Indigenous Learner Success priority:

- focus on Early Literacy and Social Emotional Learning for Indigenous students - significant focus on supporting primary students with literacy;
- SENCOTEN language instruction;
- professional development focused on cultural competency and the development of culturally responsive curriculum;
- review data to identify barriers with a particular emphasis on student voice; and
- maintaining the Family Advocate Indigenous Support Liaison position.

Changes made to budget allocations in support of the Indigenous Learner Success priority include:

- focus district and teacher leadership time and professional development budget on the Indigenous Learner Success priority;
- allocation of curriculum budget to support implementation of Indigenous course content;
- allocation of literacy intervention budget to support targeted early literacy for Indigenous students; and
- allocation of grant funding to support language and curricular programs.

## MENTAL HEALTH AND WELLNESS

The following initiatives are being implemented in support of the Mental Health and Wellness priority:

- Social Emotional Learning and Health Resource guide being developed for schools that highlights and clarifies what supports and resources are available across all levels within district.
- Expansion of Mental Health Literacy and Digital Literacy for students, including embedding within curriculum.
- EASE (Everyday Anxiety Strategies for Educators) training

- Comprehensive Counselling Approach with monthly district-wide focus is in progress, exploring themes such as healthy relationships, learning through loss, and supporting students through trauma informed lenses.
- Anti-racism initiatives. This includes a steering committee of staff from across all levels using the K-12 Anti-Racism Action Plan as a guide identifying a vision, direction, and curricular resources.

Allocation of budget is supporting Mental Health and Wellness initiatives, including focusing district and teacher leadership time and professional development budget on this priority.

## ▶ GLOBAL CITIZENSHIP

Many of the initiatives described for the preceding three priority areas also support the Global Citizenship priority. Examples include digital literacy, mental health literacy, social emotional learning, and Indigenous Education initiatives. This priority area is also being supported through the following:

- Focusing teacher leadership and professional development budget on the development of learning experiences that focus on the role of citizens in broader global and societal issues.
- Data informed practice with a focus on equity of student success. This aligns with the work of schools as they monitor progress of their school plans.
- Continued focus on student voice to understand how to achieve this goal for students, and a commitment to engage our students beyond their voices, to the actioning of these goals by student leaders.

### How Financial Resources Support Operational Priorities

In addition to improving student achievement, the Board is responsible for overseeing the [management of operational risks](#) such as risks related to information systems performance, cybersecurity, protection of privacy, and health and safety. The integration of risk management with budget planning is intended to ensure the management of significant operational risks is appropriately resourced.

The Board of Education allocated an additional \$0.5 million in the 2024/25 Budget to fund inflationary pressures impacting the District Technology Plan. The District Technology Plan is foundational to supporting both strategic plan priorities (through educational programs) and the management key operational risks relating to information systems performance, cybersecurity and protection of privacy.

### **Components of School District Budget**

Annual program revenues and expenditures are reported in the operating fund and special purpose fund. For the year ended 2023/24, \$99.3 million in revenues were reported in the operating fund representing the majority of district operations and \$19.0 million were reported in the special purpose fund.

Annual surplus and accumulated surplus in the operating fund are important indicators of financial performance and financial health for school districts. This is because school districts are not permitted to budget for or incur an accumulated operating deficit position. When a school district has accumulated operating surplus available it can be used to budget for future expenditures or to reduce financial risk associated with unforeseen circumstances.

The special purpose fund reports revenues designated for a specific purpose or program, and the related expenditures. Annual surplus in the special purpose fund is always zero because revenues are deferred and matched against related program expenditures, and if program expenditures exceed available revenues the resulting loss is transferred to the operating fund. The majority of special purpose fund revenues are Provincial funding for targeted programs. In recent years, the ministry has confirmed new targeted funding to implement a number new programs including First Nation Student Transportation, Mental Health in Schools, Early Care & Learning, Student and Family Affordability Fund and Feeding Futures. With this additional funding the school district has been able to enhance and introduce new programs; however, because this funding is targeted for new program expenditures it cannot be used to address the growing financial pressure in the operating fund that results from unfunded inflationary cost (discussed further in next section).

The capital fund reports investment in and financing activities related to capital assets including buildings, infrastructure and the bus fleet. In 2023/24, the District invested \$7.7 million in capital assets. Similar to the special purpose fund, any expenditures in excess of available funding in the capital fund is transferred to the operating fund. For this reason, the financial projections in the next section focus only on the operating fund.

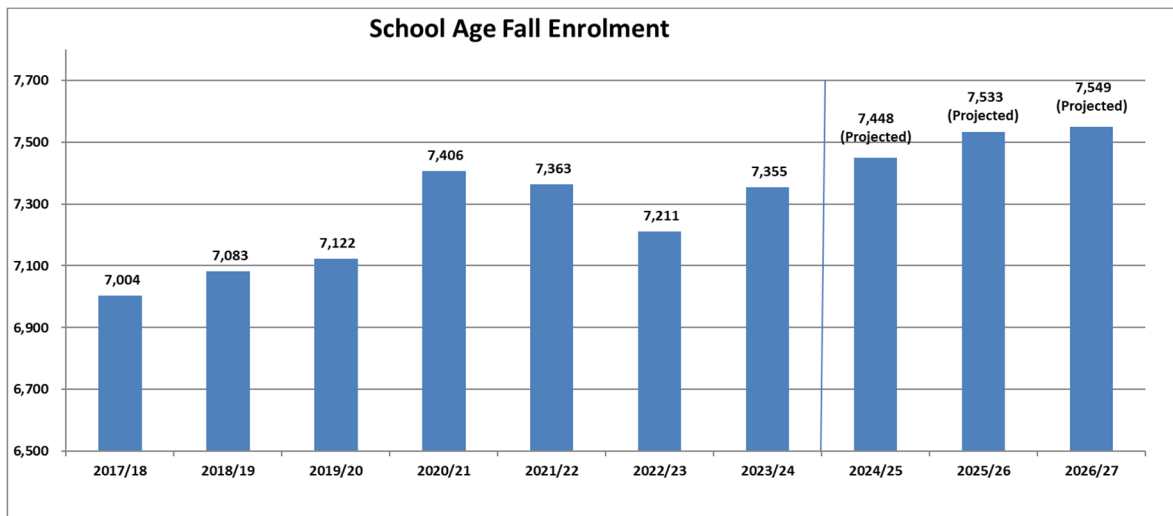
## Multi-Year Financial Projections (Operating Fund)

Enrolment is the most significant driver of projected fiscal balance. Approximately 85% of operating fund revenues are determined by per student funding allocations, and variation in enrolment impacts budgetary balance because program costs do not vary proportionally with program funding when enrolment changes. In BC, school district fiscal balance is highly leveraged to enrolment because:

- annual funding rate escalation does not fully reflect annual inflationary costs; and
- enrolment based funding growth usually exceeds incremental program costs.

As a result, a district experiencing more growth has greater financial flexibility to fund inflationary cost pressures. Enrolment in Saanich is forecasted to remain stable or grow only modestly over the next decade. Historical and projected enrolment for the next 3 years is presented below in Exhibit 1.

Exhibit 1 – Historical and Forecasted Enrolment



Budgeted and forecasted revenues, expenditures, annual surplus and accumulated surplus are presented in Exhibit 2. Key assumptions underlying the forecast include:

- Enrolment – Actual enrolment will vary from forecasted enrolment (Exhibit 1) and may in some years vary significantly. Migration is a significant factor driving enrolment growth and is more subject to yearly fluctuation than are demographic factors.
- Funding Rates - A key assumption is funding rates will be adjusted to reflect only the cost of salary scale inflation for both unionized and non-unionized staff. Salary inflation for non-unionized staff has been funded during the last 3 fiscal years; however, this was not the case historically and it may not be funded in the future.
- Forecasted Expenditures equal Budgeted Expenditures – As budgeted expenditures reflect some conservatism; it is more likely than not that actual expenditures will be lower than budgeted expenditures overall. However, this conservatism could easily be offset by inflationary cost pressures, as occurred in fiscal 2021/22 when the district incurred an annual operating deficit of \$2.9 million. Therefore, it is prudent to not reflect potential savings relative to budget in the forecast.

Additional information regarding these and other key forecast assumptions are included in exhibit 2.

In order to balance the Preliminary 2024/25 Budget, the Board appropriated \$1,769,467 in accumulated surplus to fund continuing inflationary cost pressures. These inflationary cost pressures included continued escalation in the cost of employee benefit plans, services, supplies and equipment.

An annual deficit of \$1,769,467 is budgeted in 2024/25, and in 2025/26 and 2026/27 this fiscal imbalance is forecasted to grow as inflationary cost pressures exceed funding growth. Over the three-year forecast period accumulated operating surplus is forecasted to decline from \$6.8 million to \$1.0 million.

Each year, a portion of accumulated operating surplus is designated as contingency reserve to be used only to fund additional cost pressures resulting from circumstances beyond the School District's control or, with the Board's approval, in response to unforeseen circumstances. In September 2024, the Board of Education allocated \$3.1 million from accumulated operating surplus to the contingency reserve for Budget 2024/25. Maintaining sufficient contingency reserve is important for protecting program stability by allowing the Board to adopt a budget that does not fully cost these financial risks.

While financial forecasts become less certain further into the future, adjustments to service levels are likely necessary to balance future budgets and maintain sufficient contingency reserve. As future budgetary balance poses a significant risk to program continuity, actual financial results will be monitored closely each month (in relation to the amended budget) in order to both forecast closing accumulated surplus and future budgetary balance.



## Exhibit 2: Three Year Financial Projection (Operating Fund)

	Actual 2022/23	Actual 2023/24	Budget 2024/25	Forecast 2025/26	Forecast 2026/27
<b>Revenues</b>					
Provincial Grants	77,696,447	85,793,562	88,918,595	92,033,098	94,998,871
Federal Grants	-	578,601	574,915	574,915	574,915
Tuition	4,193,697	4,412,299	4,544,616	4,635,508	4,728,218
Other Revenue	6,442,309	7,070,459	6,094,380	6,207,513	6,315,244
Rentals and Leases	415,440	411,696	525,738	536,253	546,978
Investment Income	782,868	983,442	650,000	617,500	586,625
<b>Total Revenue</b>	<b>89,530,761</b>	<b>99,250,059</b>	<b>101,308,244</b>	<b>104,604,788</b>	<b>107,750,852</b>
<b>Expenses</b>					
Salaries					
Teachers	34,010,766	37,577,492	39,478,699	40,702,777	41,587,284
Principals and Vice Principals	4,782,113	5,086,394	5,370,432	5,477,840	5,587,397
Education Assistants	5,802,868	6,384,311	7,225,329	7,797,928	8,603,591
Support Staff	8,494,814	9,187,313	9,737,648	9,932,401	10,131,049
Other Professionals	3,342,948	3,837,304	4,668,821	4,762,197	4,857,441
Substitutes	4,336,063	4,780,151	4,298,486	4,384,456	4,472,145
<b>Total Salaries</b>	<b>60,769,572</b>	<b>66,852,965</b>	<b>70,779,415</b>	<b>73,057,600</b>	<b>75,238,908</b>
Employee Benefits	16,021,019	17,330,286	18,036,711	18,896,212	19,736,502
<b>Total Salary and Benefits</b>	<b>76,790,591</b>	<b>84,183,251</b>	<b>88,816,126</b>	<b>91,953,812</b>	<b>94,975,410</b>
Service and Supplies					
Services	5,134,765	5,109,449	5,177,501	5,281,051	5,386,672
Professional Development and Travel	560,033	641,820	833,197	849,861	866,858
Rentals and Leases	157,541	157,523	182,000	185,640	189,353
Dues and Fees	304,967	382,612	363,228	370,493	377,902
Insurance	208,047	257,441	247,000	251,940	256,979
Supplies	3,344,988	3,026,315	4,778,736	4,874,311	4,971,797
Utilities	1,606,658	1,521,527	1,664,435	1,697,724	1,731,678
<b>Total Service and Supplies</b>	<b>11,316,999</b>	<b>11,096,687</b>	<b>13,246,097</b>	<b>13,511,019</b>	<b>13,781,239</b>
<b>Operating Surplus (Deficit)</b>	<b>1,423,171</b>	<b>3,970,121</b>	- <b>753,979</b>	- <b>860,043</b>	- <b>1,005,797</b>
Interfund Transfers	- 1,758,685	- 869,407	- 1,015,488	- 1,035,798	- 1,056,514
<b>Total Operating Surplus (Deficit)</b>	<b>- 335,514</b>	<b>3,100,714</b>	<b>- 1,769,467</b>	<b>- 1,895,841</b>	<b>- 2,062,311</b>
Accumulated Operating Surplus, Opening	3,994,957	3,659,443	6,760,157	4,990,690	3,094,849
Change in Accumulated Operating Surplus	- 335,514	3,100,714	- 1,769,467	- 1,895,841	- 2,062,311
<b>Accumulated Operating Surplus, Closing</b>	<b>3,659,443</b>	<b>6,760,157</b>	<b>4,990,690</b>	<b>3,094,849</b>	<b>1,032,538</b>

### Key Assumptions

1. Funding and teacher staffing reflects forecasted school age enrolment growth of 85 FTE in 2025/26 and 16 FTE in 2026/27.
2. Increased funding from unique needs designation growth forecasted to be \$764,451 in 2025/26 and \$1,175,475 in 2026/27.
3. Funding from unique needs designation growth - 70% is allocated to increased staffing and 30% offsets general cost inflation.
4. Funding rates are adjusted to reflect 2% salary/wage inflation for all staff in each of 2025/26 and 2026/27.
5. Investment income declines in each of 2025/26 and 2026/27 assumes moderation in interest rates.
6. International tuition fee assumed to increase on average by 2% in 2025/26 and 2026/27.
7. Facility rental revenues are assumed to increase by 2% in each of 2025/26 and 2026/27.
8. Salary/wage inflationary adjustments assumed to be 2% in 2025/26 and 2% in 2026/27.
9. Inflation of 2% applied to service and supplies in each of 2025/26 and 2026/27.
10. Inflation of 2% applied to benefit costs in each of 2025/26 and 2026/27.