



2023 - 2026

Long Range Financial Plan

Prepared October 2023

The 2023 – 2026 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 grow modestly (approximately 11%) 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 [2023/24 Budget Guiding Principles](#)). For the

2023/24 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

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 2023/24, 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

- Completion of a comprehensive K-12 Literacy Plan with an initial focus on Early Learning by December 2023 (in progress).
- Continue work to:
 - grow the early literacy intervention program at all schools with a focus on equity and on-going professional learning of teachers,
 - create a literacy resource review which reflects student diversity and inclusion, and
 - use report card data to track student progress in grade transitions to inform progress and support proficiency-based assessment language and practice from K-12.

▶ INDIGENOUS LEARNER SUCCESS

- Continuation of Family Advocacy Indigenous Support Liaison and Indigenous Education Coordinator positions
- Ensure Indigenous students are supported by the early intervention literacy program
- Focus on increasing SENĆOTEN language instruction at all levels, SENĆOTEN language exposure for kindergarten students and SENĆOTEN language instruction for all students at KELSET elementary
- Ongoing and intensive support for teachers implementing the new graduation requirement
- Conduct student focus groups to infuse student voice into data collection strategy
- Focus on graduation check and grad pathway checks in a systematic way
- Specifically target racism by working towards a comprehensive anti-racism plan that impacts all levels

▶ MENTAL HEALTH AND WELLNESS

- Target middle and secondary school mental health literacy to increase student understanding of their mental health care as measured on the student learning survey and in student focus groups
- PHE (Secondary Physical and Health Education) curriculum support
- Staff mental health and wellness capacity building
- EASE (Everyday Anxiety Strategies for Educators) implementation
- Digital Literacy support
- Review access to Counselling support
- Address anxiety strategies in secondary students proactively

▶ GLOBAL CITIZENSHIP

- Work collaboratively to define a shared vision (student, parent, teacher, community) of the Saanich Global Citizen which articulates the alignment and support of this priority with other Strategic Priorities
- Continue to emphasize the key role of student voice with staff, parents and community as a main focus for decision making and action
- Utilize qualitative data sources strategically as tools to track our progress
- Create a K-12 working group and conduct a levelled landscape scan to inform the development and/or enhancement of student opportunities and programs

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 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. A significant challenge to this financial plan has been resourcing the particularly significant inflation impacting information technology in recent years. At this time, it is no longer possible to fund the intended deliverables in the technology plan and the fiscal forecasts presented in exhibit 2 do not reflect this cost. Over the next year, the district will need to review the technology plan and either allocate more funding or reduce program deliverables.

Components of School District Budget

Annual program revenues and expenditures are reported in the operating fund and special purpose fund. For the year ended 2022/23, \$89.5 million in revenues were reported in the operating fund representing the majority of district operations and \$17.0 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, 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 generally 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 2022/23, the District invested \$6.9 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.

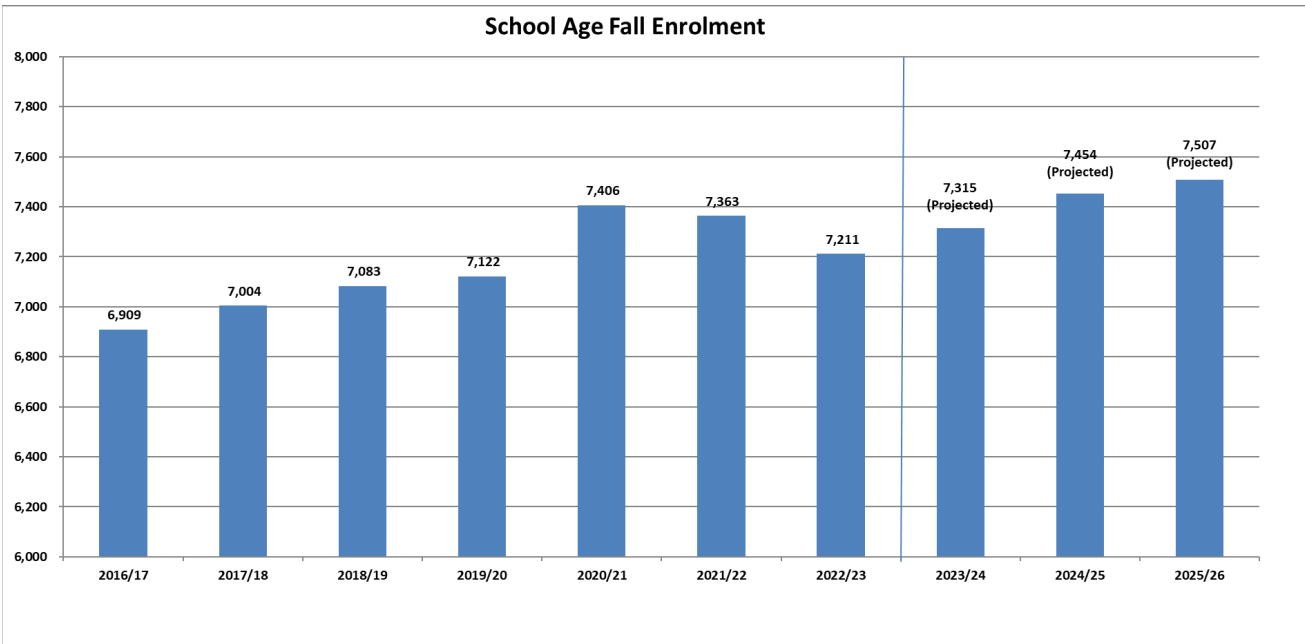
Multi-Year Financial Projections (Operating Fund)

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 grow modestly over the next decade, on average by about 1% a year. 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 are 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 2 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, as this conservatism could easily be offset by further inflationary cost pressure, 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 2023/24 Budget, the Board appropriated \$1,384,307 in accumulated surplus to fund continuing inflationary cost pressures. These inflationary cost pressures include continued escalation in employee leave costs¹ and inflationary pressures impacting services, supplies and equipment. In September 2023, additional net funding from designation enrolment growth beyond forecast will generate additional funding that can be allocated to reduce this appropriation. To reflect this development, revenues net of expenditures have been increased by \$500,000 in each of the three forecast years (see assumption 1 in Exhibit 2).

An annual deficit of \$884,307 is forecasted in 2023/24, and in 2024/25 and 2025/26 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 \$3.7 million to \$0.1 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. 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 will likely necessary in 2024/25 in order to balance the budget and maintain sufficient contingency reserve.

¹ As a percentage of the total salary and benefits budget, the budget for substitutes has grown by 40% in just 2 years (from 4.7% of the total salary and benefits budget in 2021/22 to 6.6% in 2023/24). This escalation in the budget for substitutes was necessary to fund escalation in employee leaves and represents additional annual unfunded cost of \$1.6 million. Contributing to this cost pressure were changes to the Employment Standards Act in 2022 increasing leave provisions for temporary and part-time staff at an estimated cost of \$0.4 million.

Exhibit 2: Three Year Financial Projection (Operating Fund)

	Actual 2021/22	Actual 2022/23	Budget 2023/24	Forecast 2024/25	Forecast 2025/26
Revenues					
Provincial Grants					
Ministry of Education and Childcare	74,605,455	77,514,902	84,391,525	87,109,795	89,159,395
Other	183,610	181,545	53,760	53,760	53,760
Federal Grants	39,492	-	-	-	-
Tuition	3,708,763	4,193,697	4,048,515	4,298,515	4,298,515
Other Revenue	5,574,297	6,442,309	5,804,408	6,374,965	6,450,877
Rentals and Leases	380,542	415,440	430,500	439,110	447,892
Investment Income	205,968	782,868	650,000	617,500	586,625
Total Revenue	84,698,127	89,530,761	95,378,708	98,893,644	100,997,065
Expenses					
Salaries					
Teachers	35,576,010	34,010,766	36,834,229	38,246,559	39,275,624
Principals and Vice Principals	4,636,514	4,782,113	5,237,926	5,447,443	5,665,341
Education Assistants	5,214,769	5,802,868	6,959,552	7,098,743	7,240,718
Support Staff	8,463,733	8,494,814	9,353,266	9,540,331	9,731,138
Other Professionals	3,151,514	3,342,948	3,579,141	3,722,307	3,871,199
Substitutes	3,919,473	4,336,063	4,541,159	4,631,982	4,724,622
Total Salaries	60,962,013	60,769,572	66,505,273	68,687,365	70,508,641
Employee Benefits	15,168,799	16,021,019	17,098,879	17,818,806	18,454,498
Total Salary and Benefits	76,130,812	76,790,591	83,604,152	86,506,172	88,963,139
Service and Supplies					
Services	4,823,714	5,134,765	5,066,057	5,670,028	5,773,376
Professional Development and Travel	445,956	560,033	837,422	854,170	871,254
Rentals and Leases	137,659	157,541	174,416	177,904	181,462
Dues and Fees	385,591	304,967	327,528	334,079	340,760
Insurance	187,184	208,047	165,460	168,769	172,145
Supplies	2,879,215	3,344,988	3,478,900	3,548,478	3,619,448
Utilities	1,484,676	1,606,658	1,629,080	1,661,662	1,694,895
Total Service and Supplies	10,343,995	11,316,999	11,678,863	12,415,090	12,653,339
Operating Surplus (Deficit)	- 1,776,680	1,423,171	95,693	- 27,618	- 619,413
Interfund Transfers	- 1,145,071	- 1,758,685	- 980,000	- 999,600	- 1,019,592
Total Operating Surplus (Deficit)	- 2,921,751	- 335,514	- 884,307	- 1,027,218	- 1,639,005
Accumulated Operating Surplus, Opening	6,916,708	3,994,957	3,659,443	2,775,136	1,747,918
Change in Accumulated Operating Surplus	- 2,921,751	- 335,514	- 884,307	- 1,027,218	- 1,639,005
Accumulated Operating Surplus, Closing	3,994,957	3,659,443	2,775,136	1,747,918	108,913

Key Assumptions

1. To reflect Sept 2023 net funding from designation growth, the 2023/24 Budget and subsequent forecast years have been adjusted to reflect additional grant revenues of \$1.0 million and additional staff cost of \$0.5 million.
2. Funding and teacher staffing reflects forecasted school age enrolment growth of 139 FTE in 2024/25 and 53 FTE in 2025/26.
3. Designation numbers and other enrolments in 2024/25 and 2025/26 forecasted to be consistent with Budget 2023/24.
4. Funding rates are adjusted to reflect 2% inflation to wage and salary ranges for all staff in each of 2024/25 and 2025/26.
5. Investment income declines in each of 2024/25 and 2025/26 assumes moderation in interest rates.
6. Forecasted expenditures in 2024/25 and 2025/26 are assumed to equal 2023/24 budgeted expenditures adjusted for inflation.
7. Facility rental revenues are assumed to increase by 2% in each of 2024/25 and 2025/26.
8. Wage and salary scale adjustments assumed to be 2% in 2024/25 and 2% in 2025/26.
Note that potential cola adjustment in 2023/24 is assumed to be budget neutral (i.e. funded).
9. International tuition fee increases from \$13,750 to \$14,750 in 2024/25.
10. General inflation of 2% applied to service and supplies in each of 2024/25 and 2025/26.
11. General inflation of 1.5% applied to benefit costs in each of 2024/25 and 2025/26.