

SCHOOL DISTRICT 63 (SAANICH)

FINANCE, FACILITIES & TECHNOLOGY COMMITTEE

Report to the Board of October 23, 2024

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
Candace Whitney, CUPE
David Mark, SAA
David Tunbridge, COPACS

Other Attendees: Chair Dunford, Vice Chair Silzer, Trustee Vandall & Trustee VanWell

Committee Meeting

Tuesday, October 15, 2024

A. PRESENTATIONS AND QUESTIONS

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

B. ITEMS DISCUSSED

No Items.

C. ITEMS FOR RECOMMENDATION

1. Preliminary Enrolment and Funding

Motion:

The Committee recommends and I, Trustee Elder move,
That the Board approve the proposed 2024/25 expenditure budget changes.

2. Multi-Year Financial Plan

Motion:

The Committee recommends and I, Trustee Elder move,
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



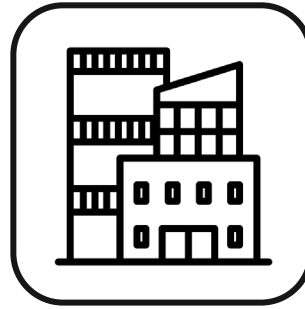
October 15, 2024

Rede

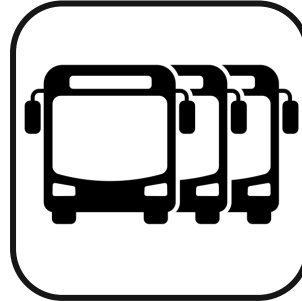
Agenda



Baseline &
Targets



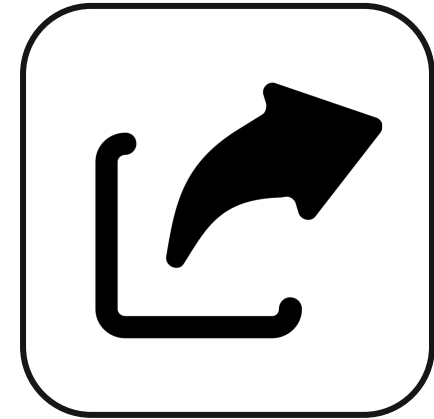
Buildings



Fleet

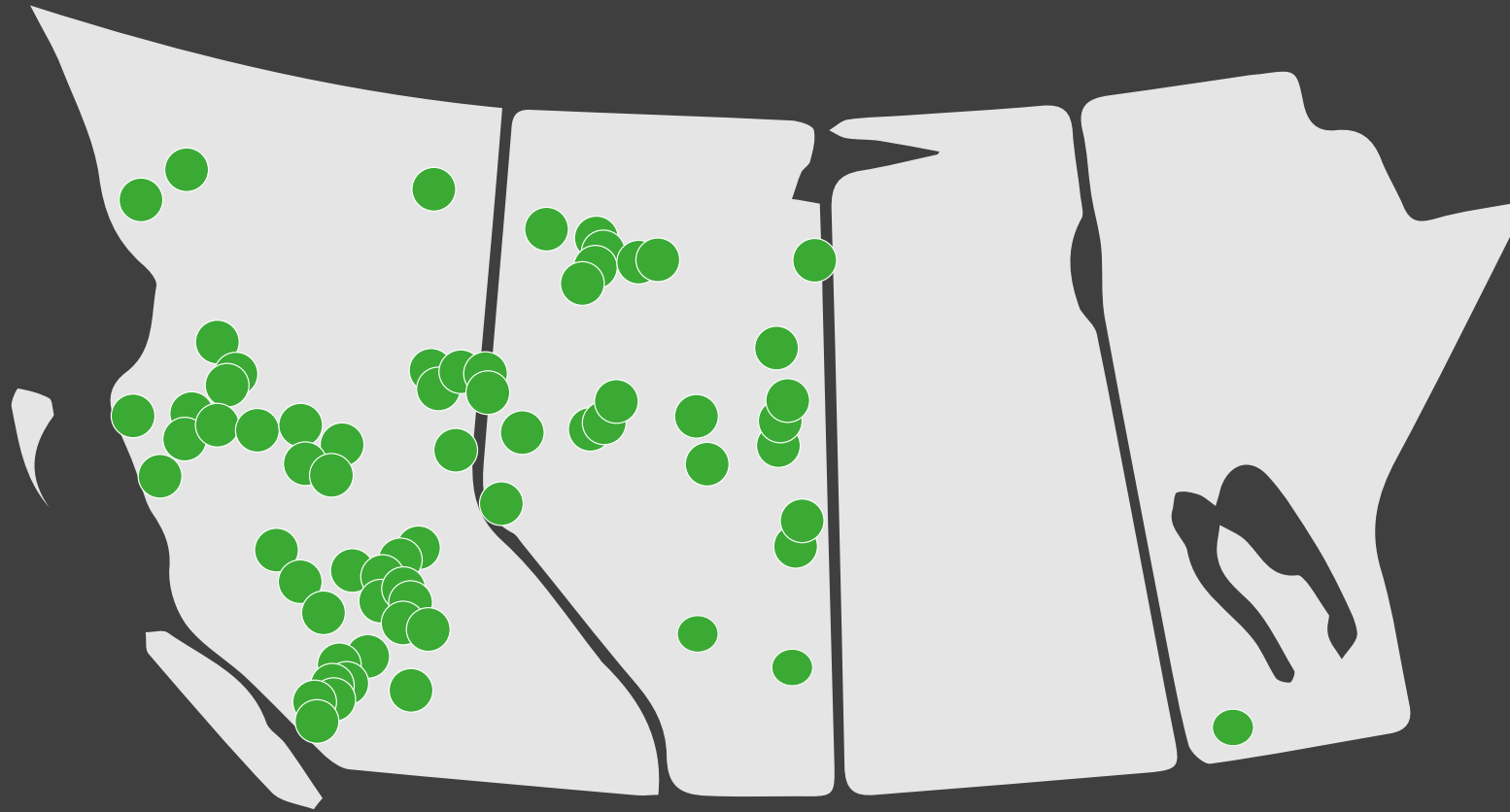


Paper



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**

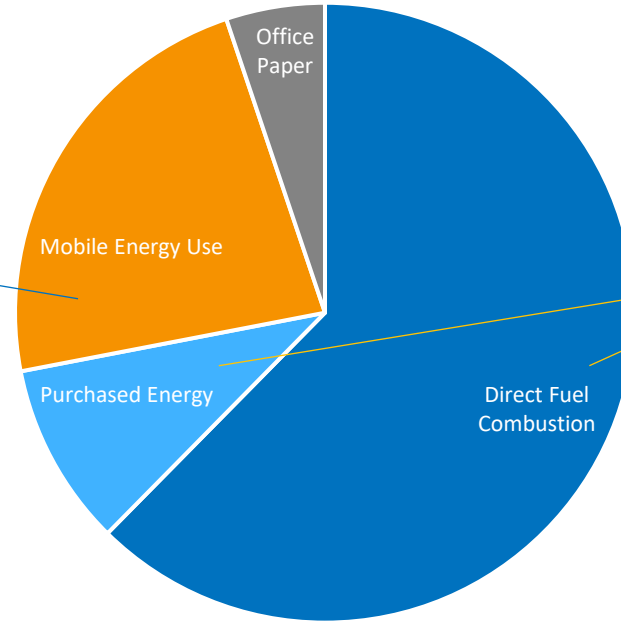
(From 2007 baseline)

Rede

2010 Baseline

Transportation

Buildings



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


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	2,221
	59-64% Reduction		27-32% Reduction	59-64% Reduction	

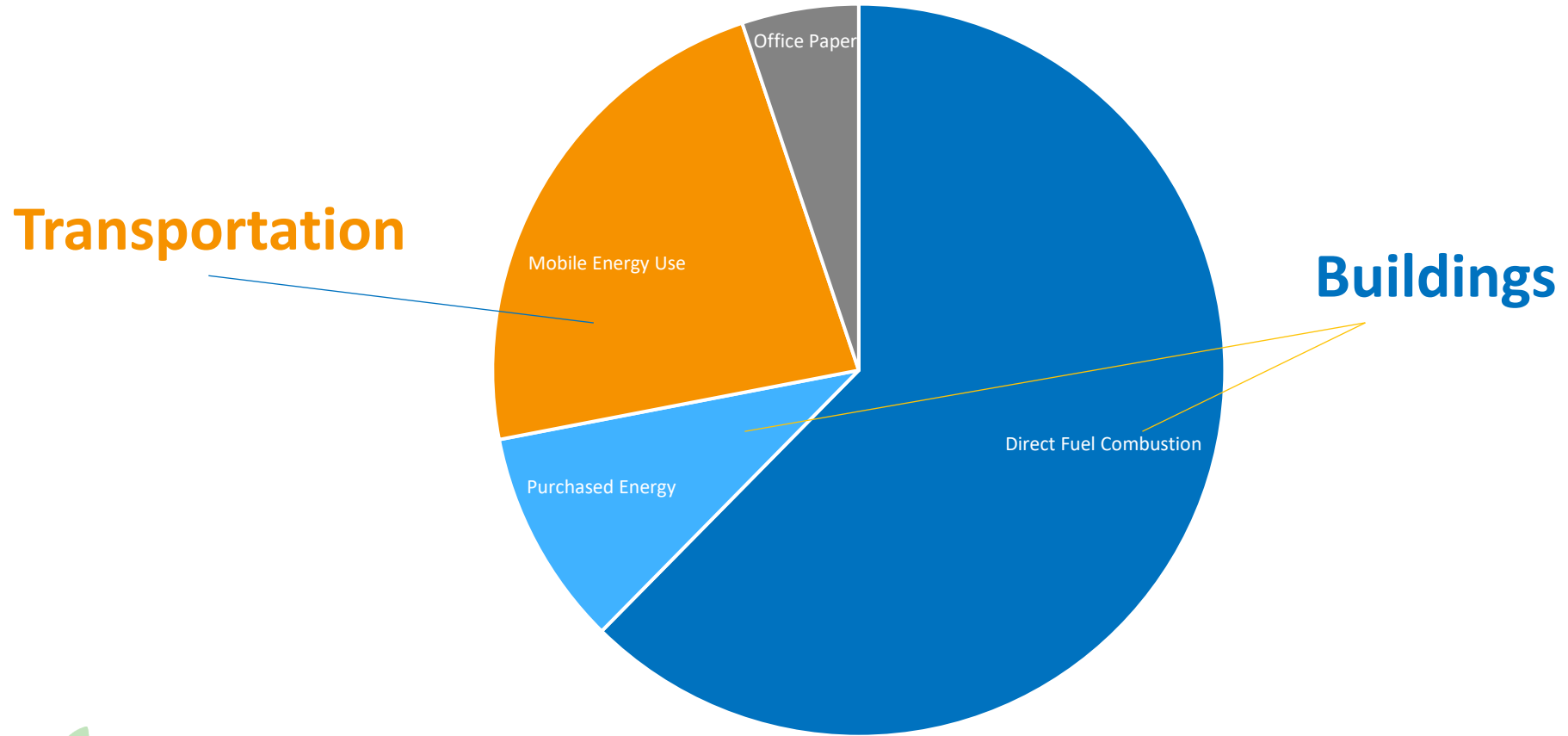
Rede

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	2,221
	59-64% Reduction		27-32% Reduction	59-64% Reduction	
Reduction Needed	943 - 1023		137 - 163	68-73	
2030 Target	575-655		345 - 371	41-47	961 - 1073

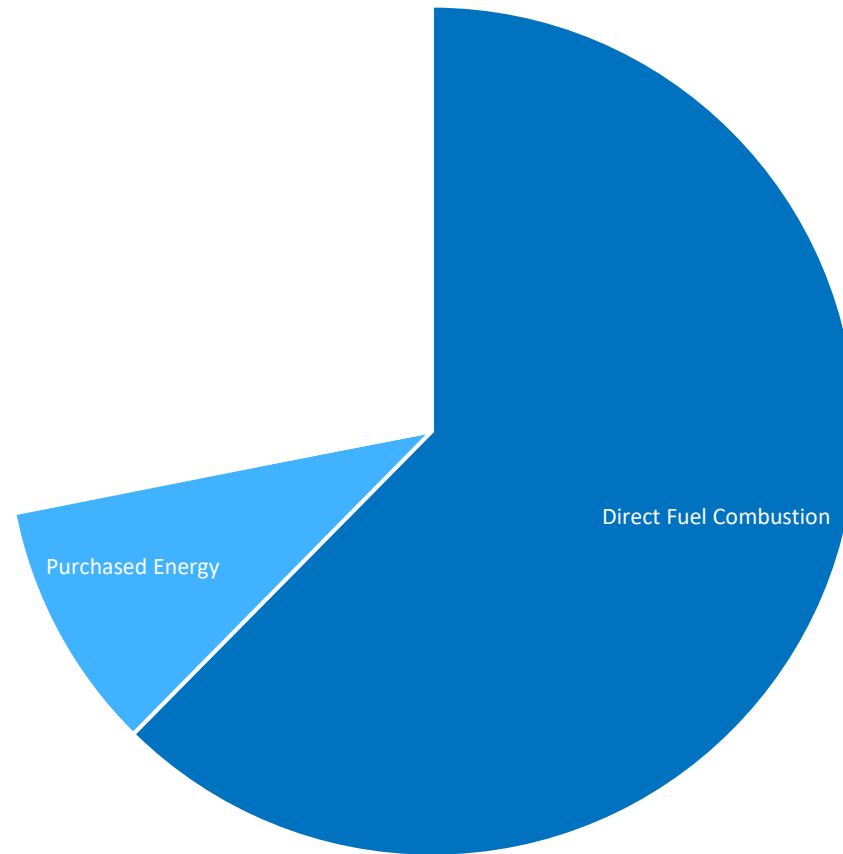
Rede

2010 Baseline



Rede

2010 Baseline



Buildings

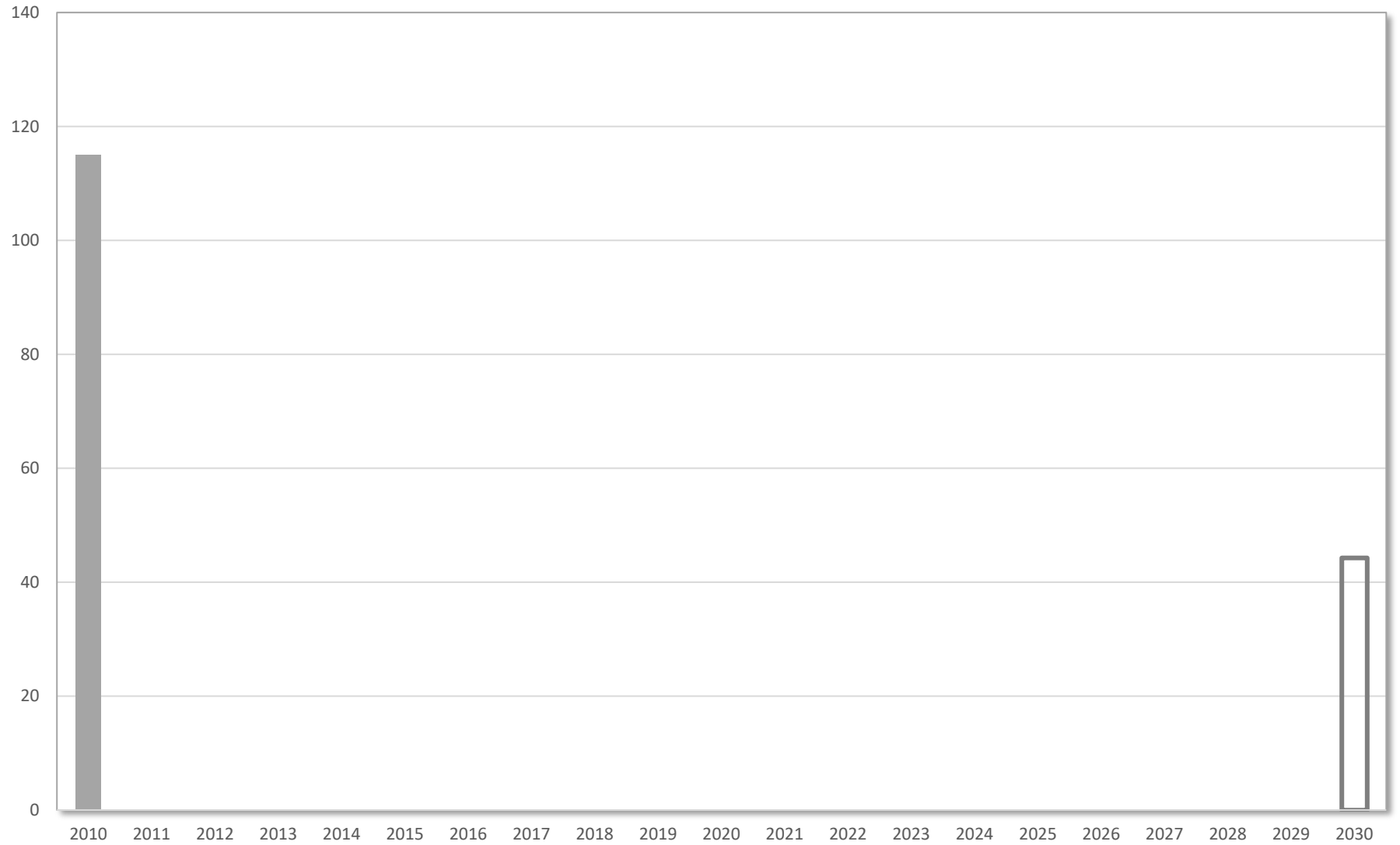
Rede



Paper

Rede

Paper



Rede

Paper

Fall 2021

Recommendation

➤ Implement purchasing policy

Spring 2022

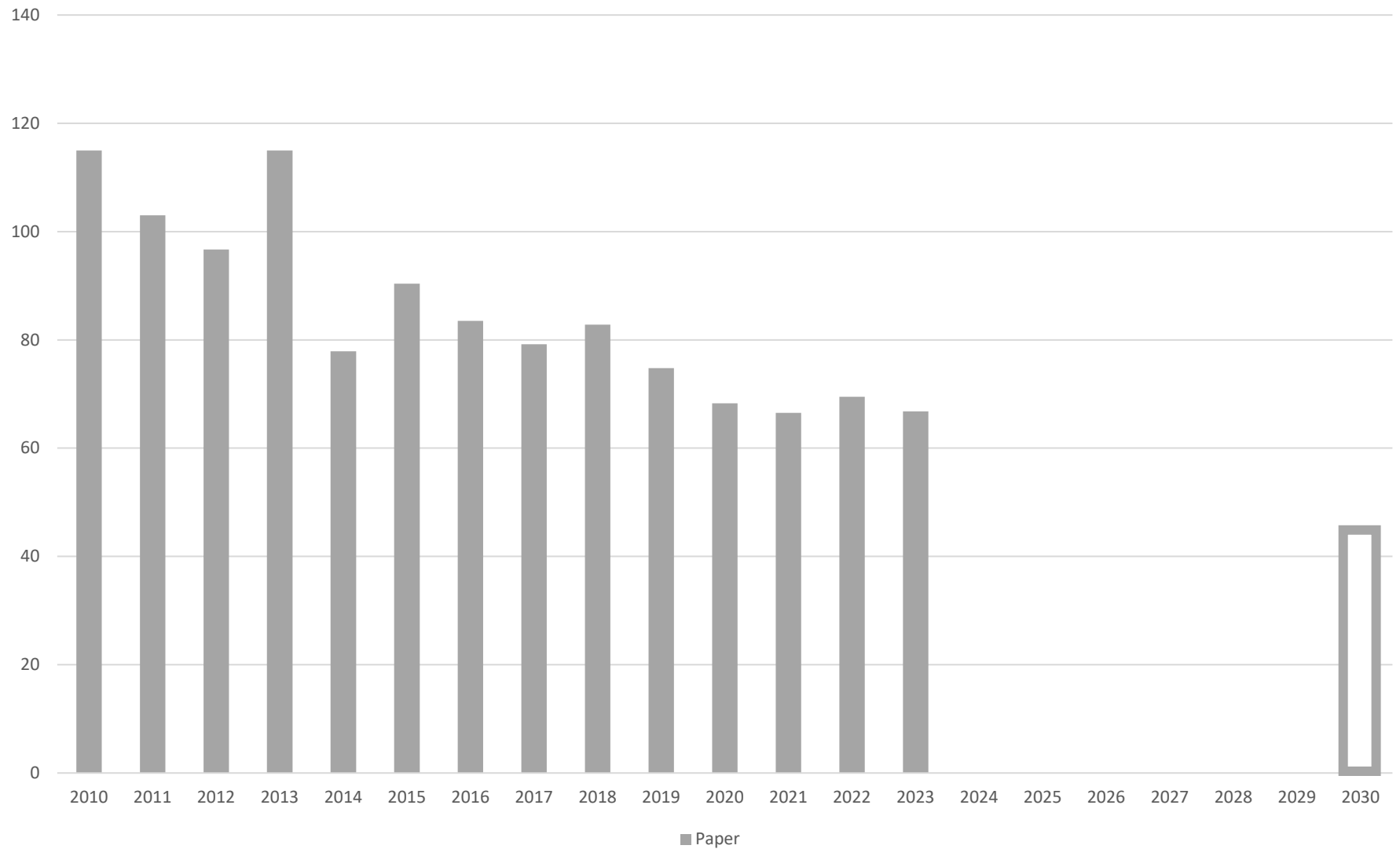
Action

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

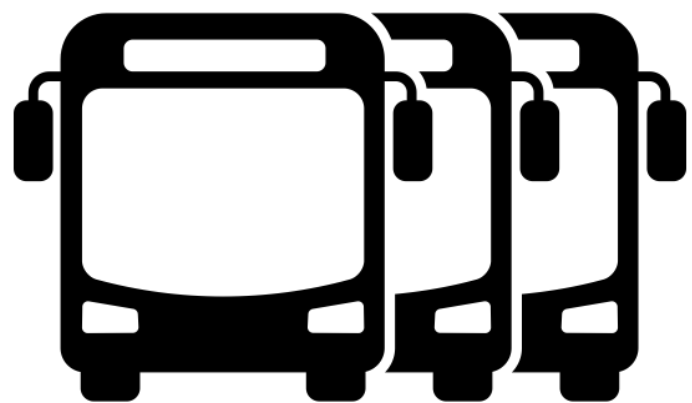
Counts as 100% post-consumer recycled.

Rede

Paper



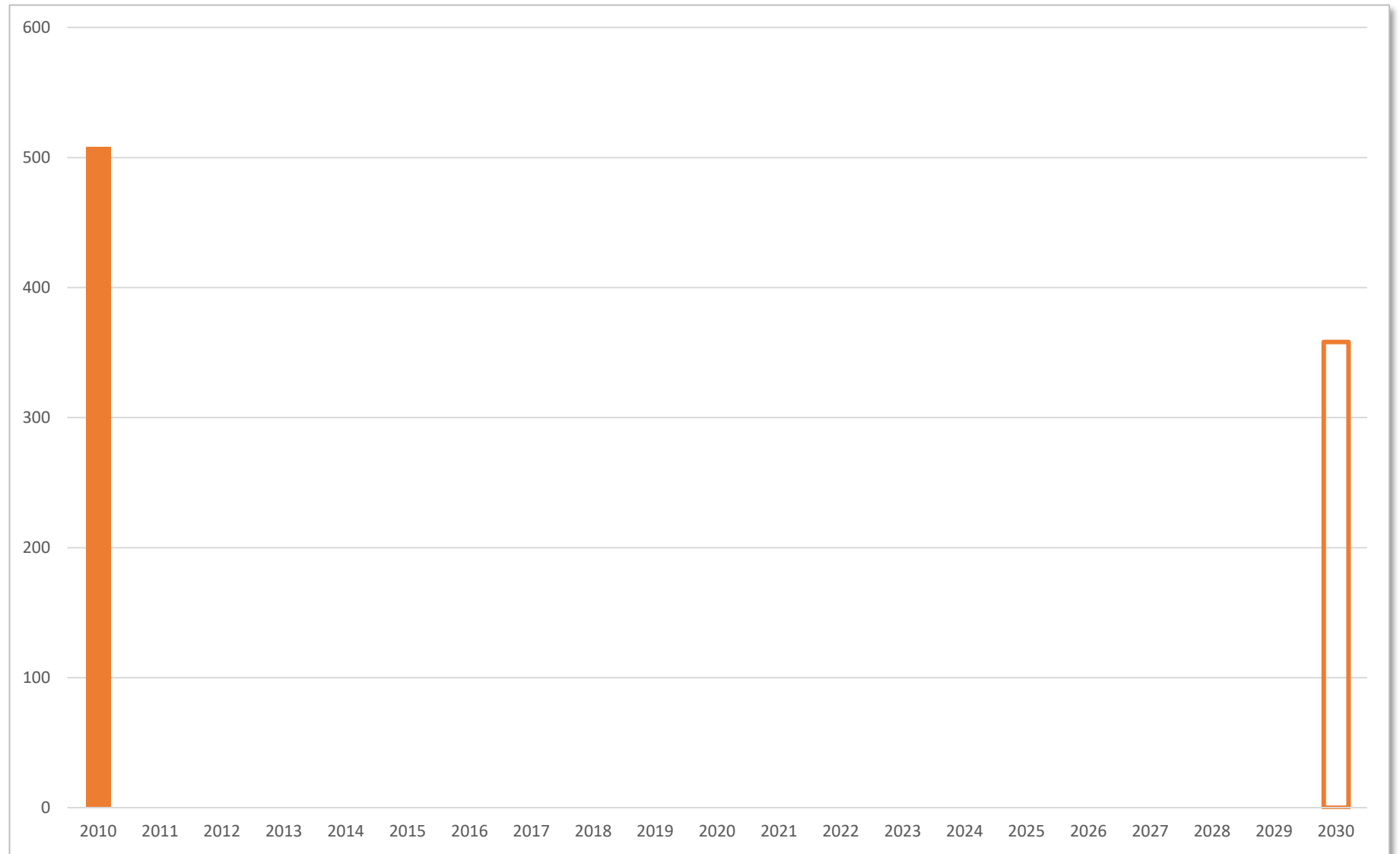
Rede



Fleet

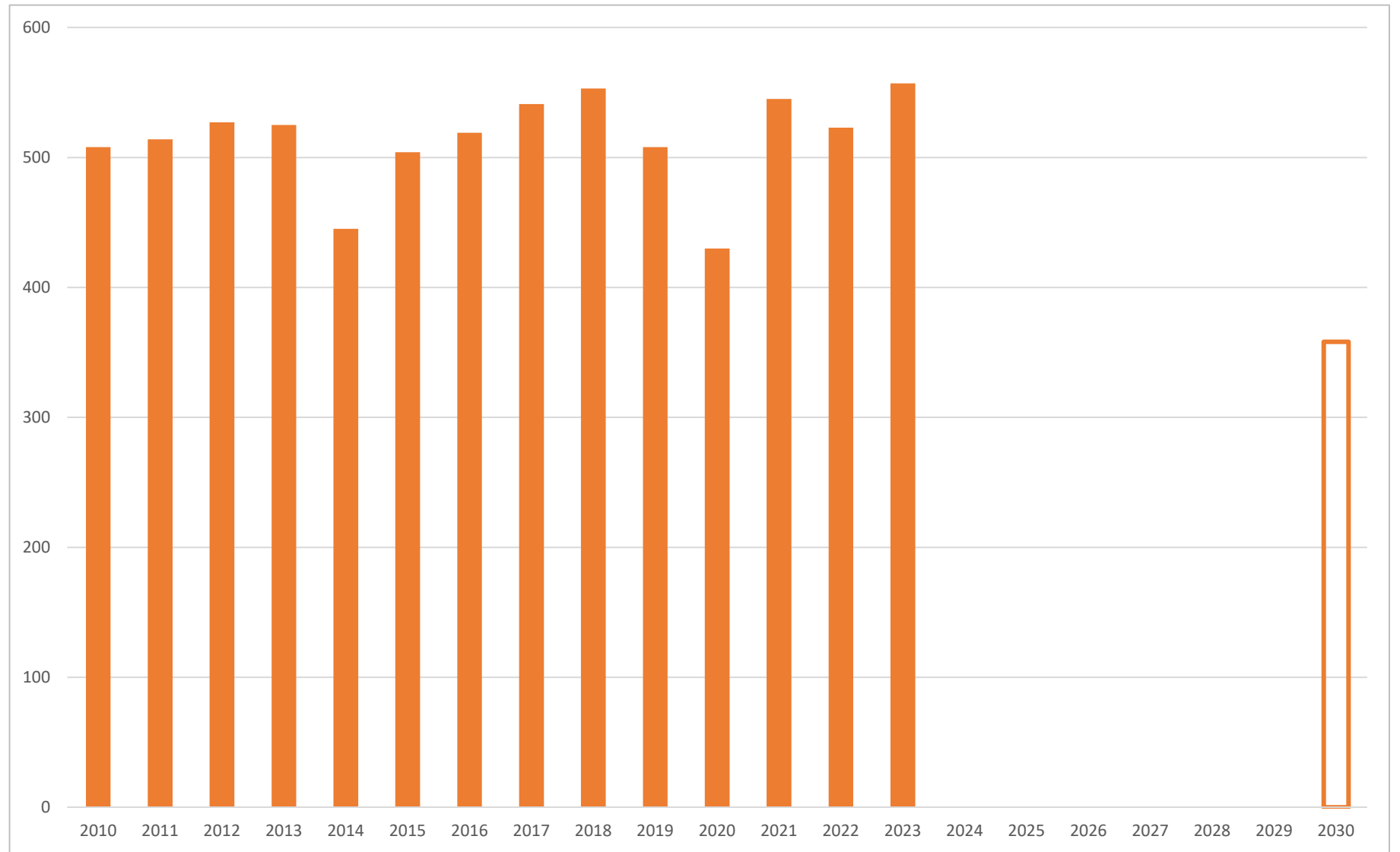
Rede

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					
	1,002,000					

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.*

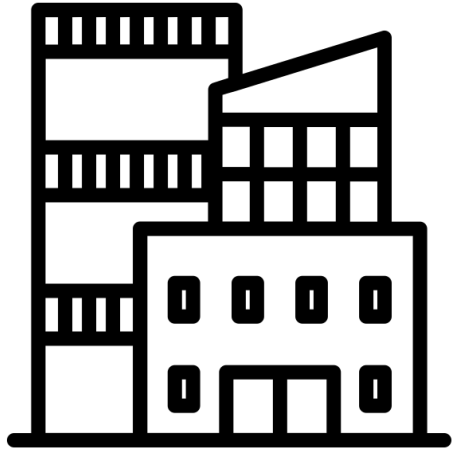
Pending response from ZETF

** 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

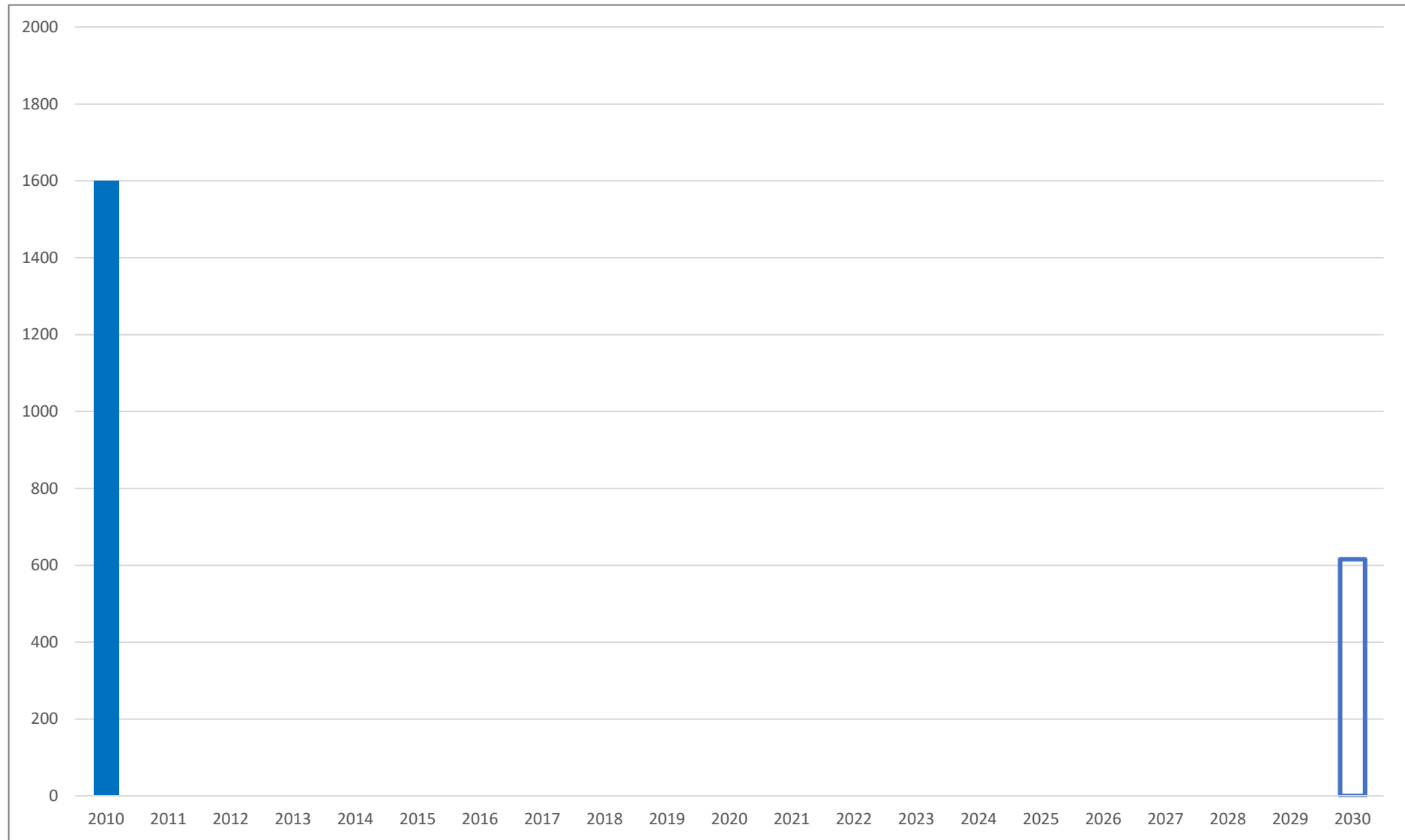
Rede

Building GHG Reduction

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

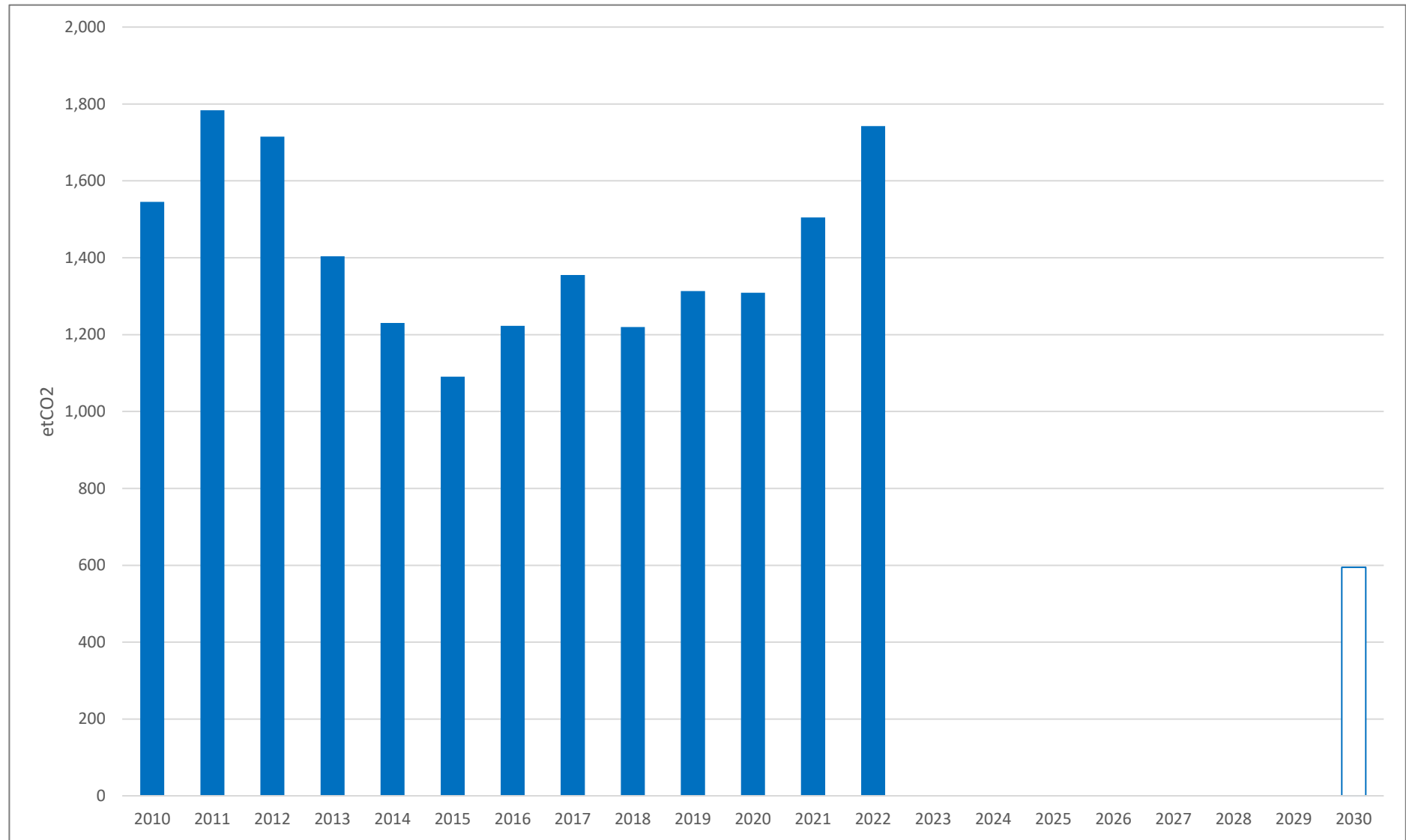
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Buildings



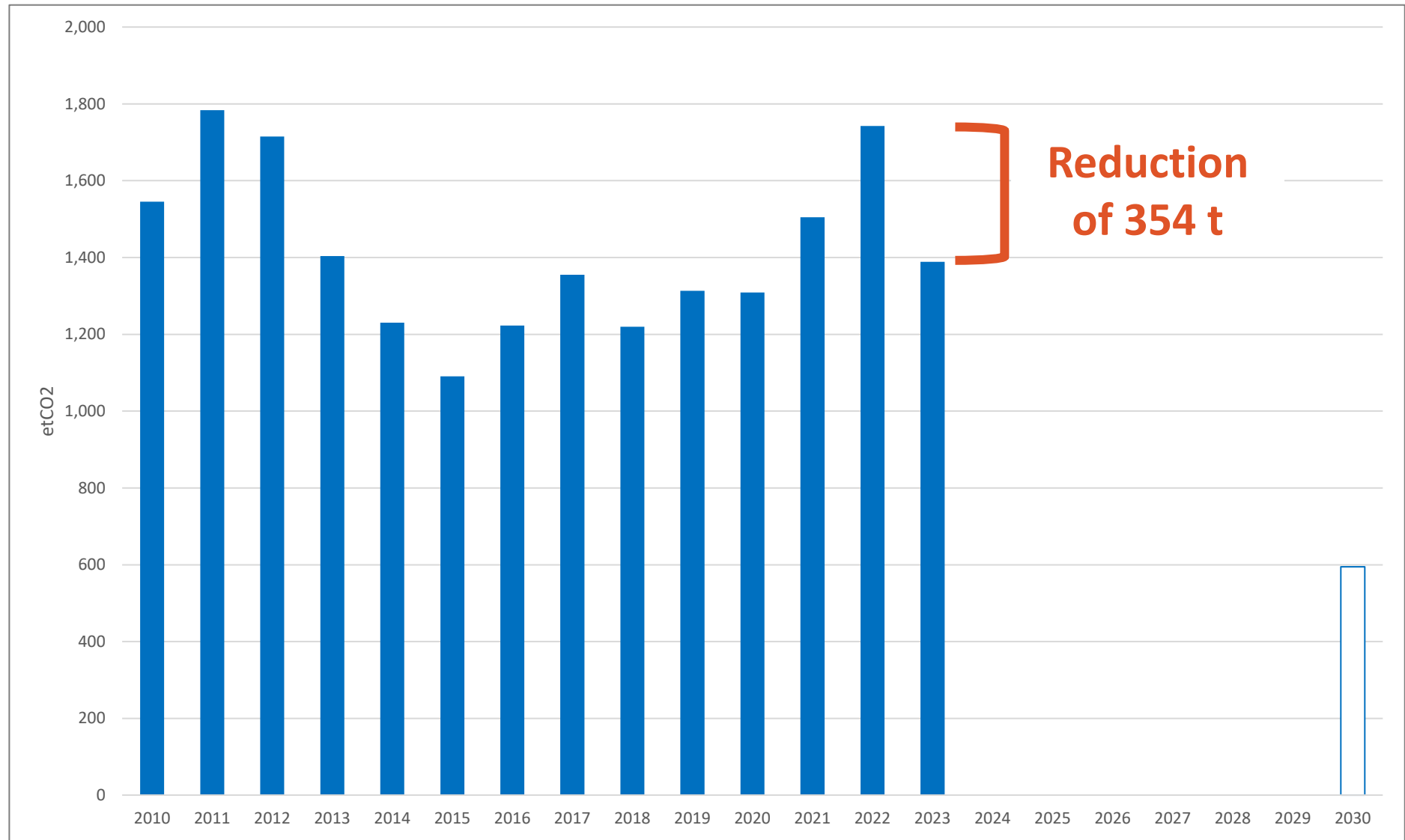
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Buildings



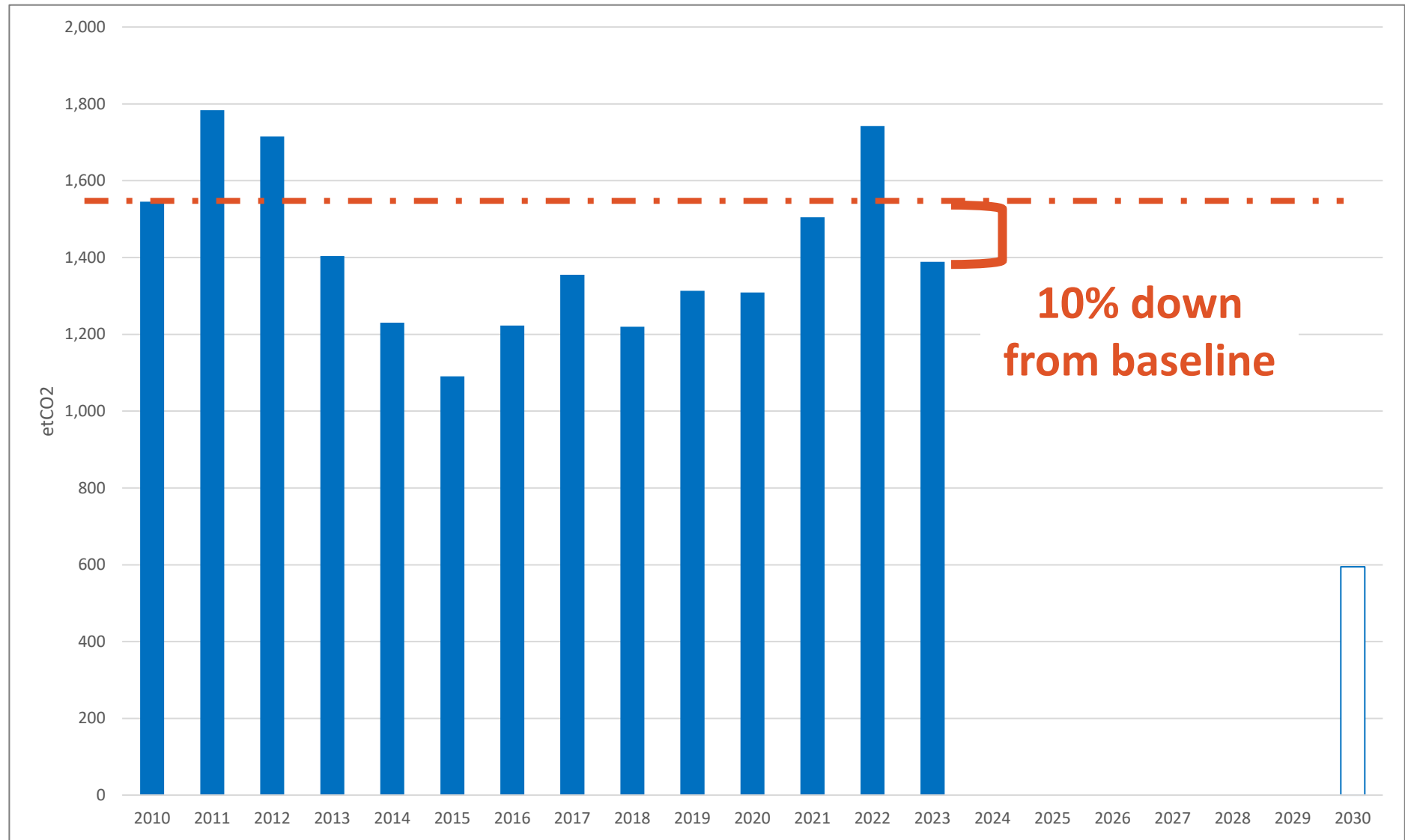
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Buildings



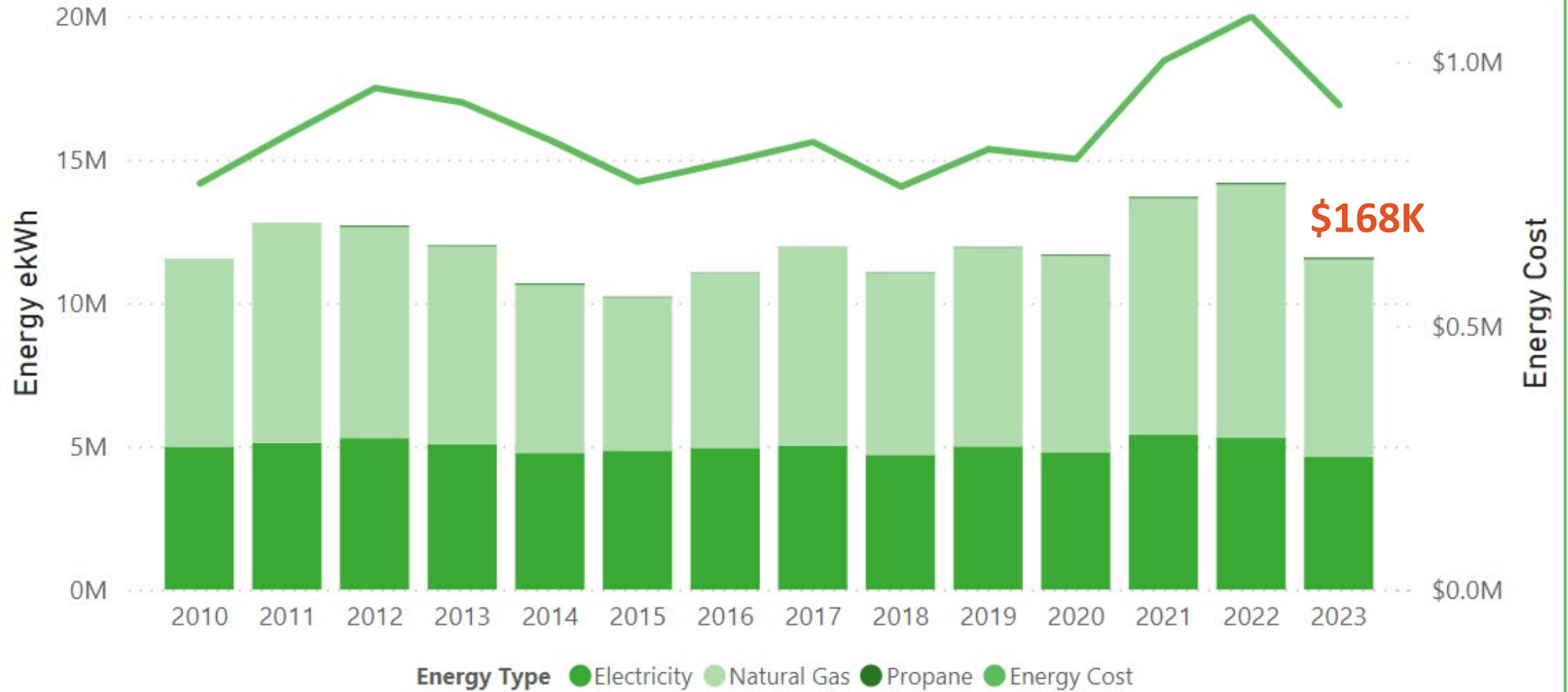
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Buildings

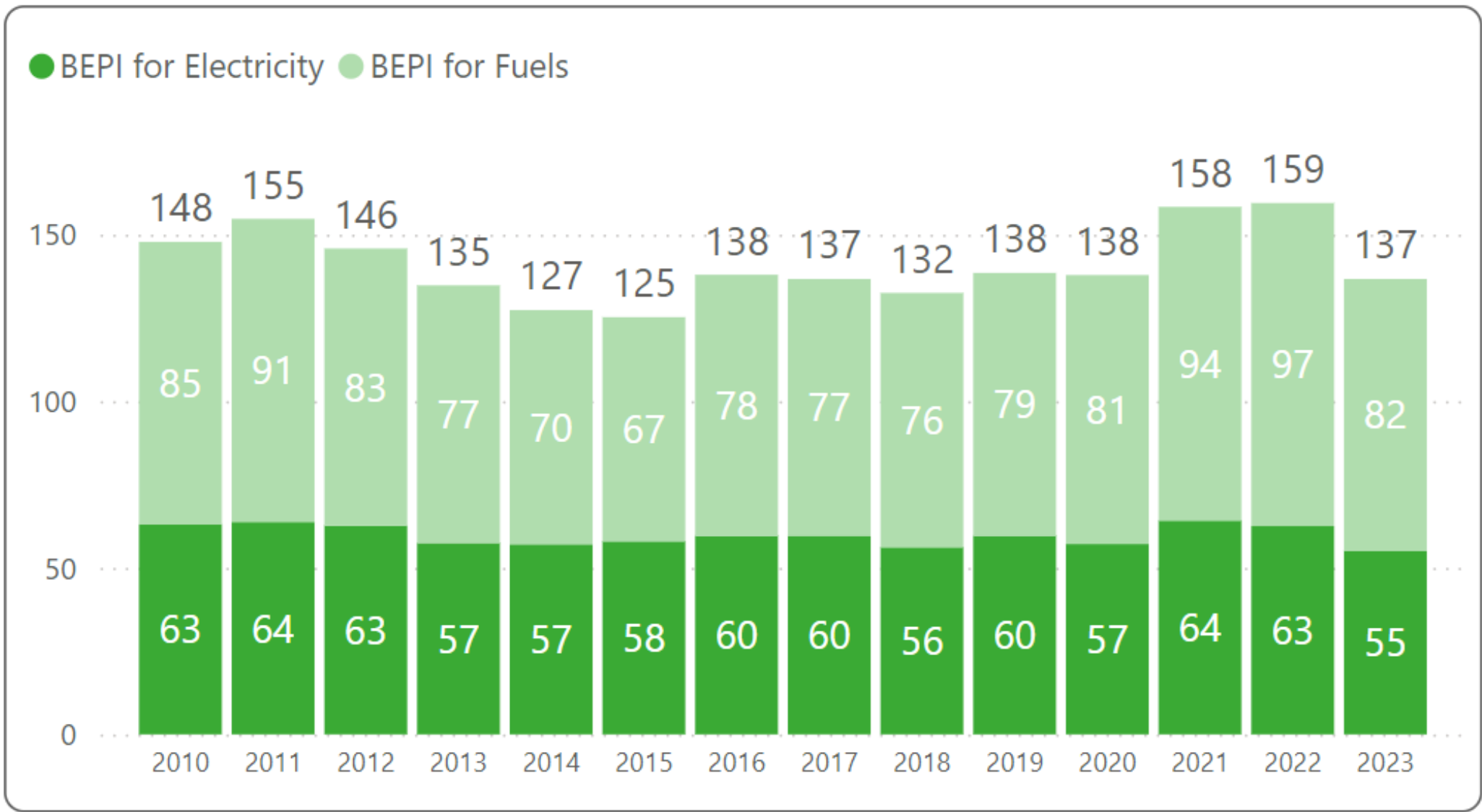


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Annual Energy Distribution



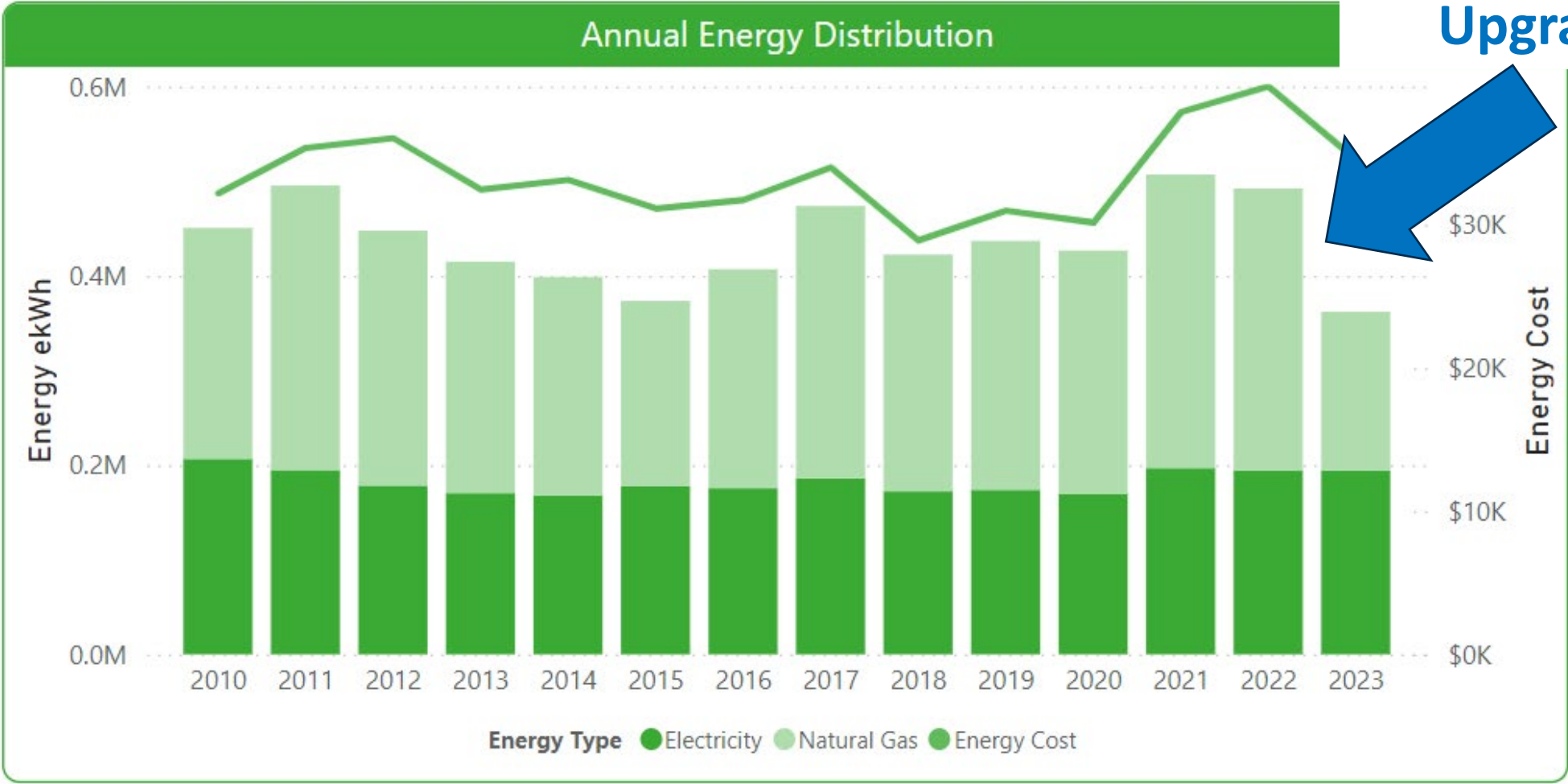
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Rede

Deep Cove

**Mechanical
Upgrades**

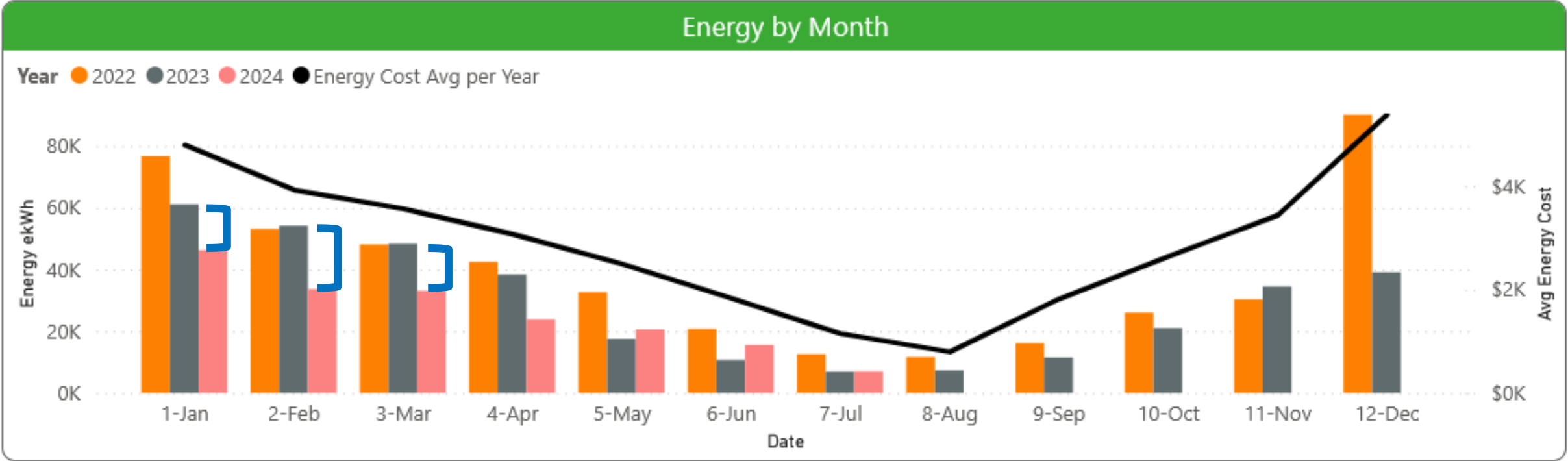


Rede

24 t GHG Reduction

Actual consumption

Deep Cove



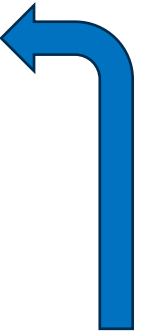
Rede

Continued improvement in 2024

Normalized consumption

Deep Cove

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



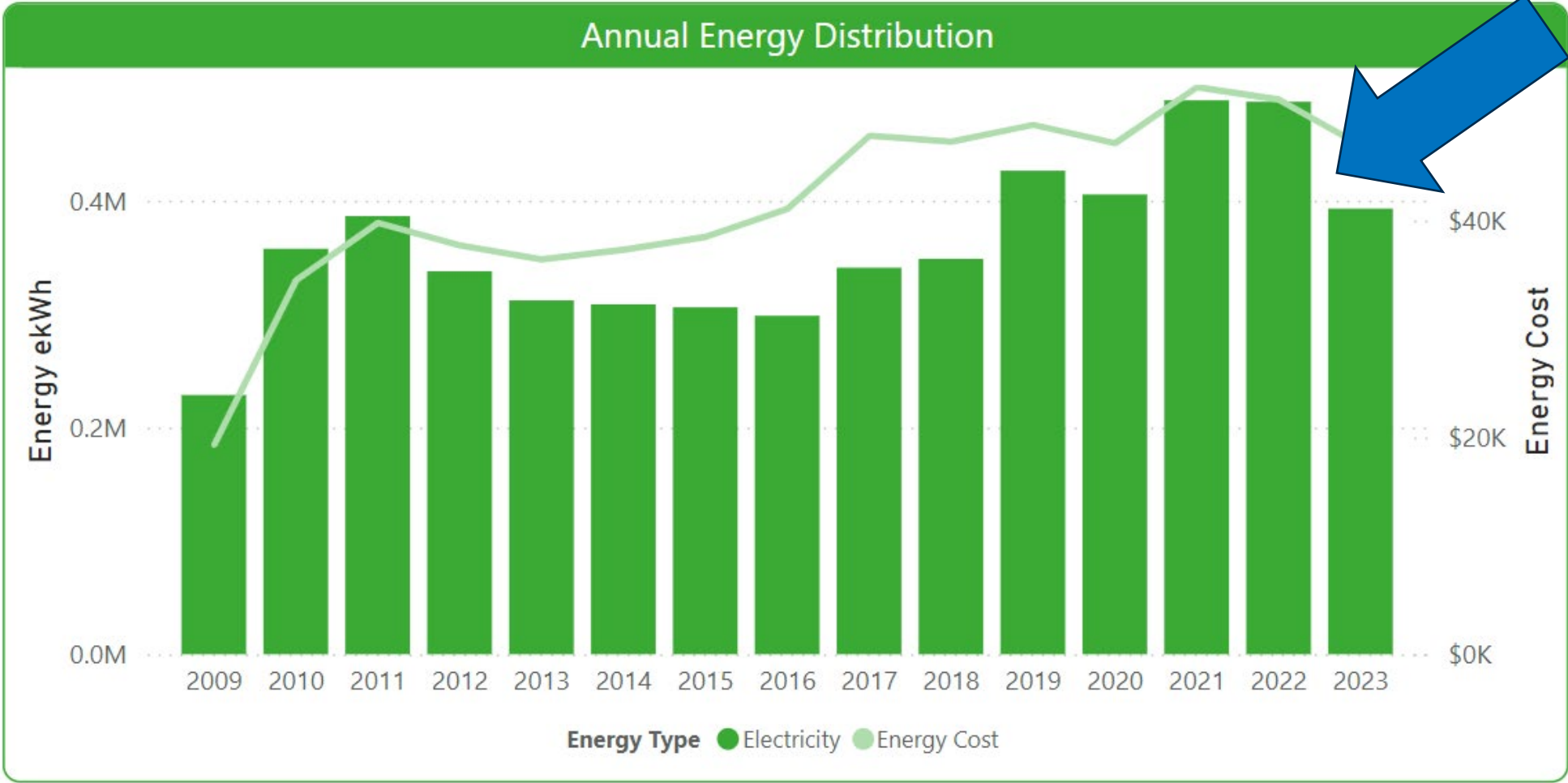
2023-24 Capital Funding

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



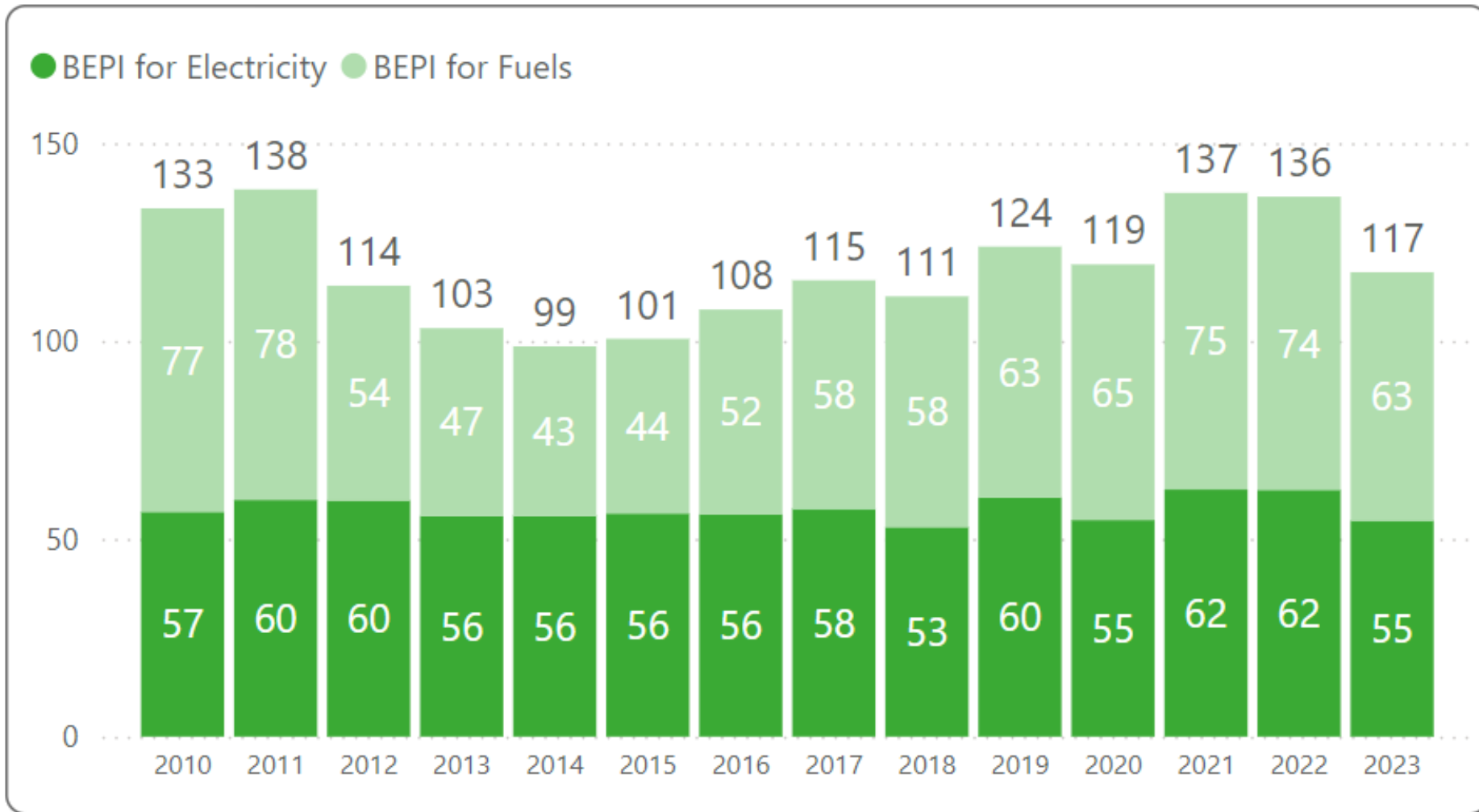
Keating Elementary
Lochside Elementary
North Saanich Middle School
Brentwood Elementary
Cordova Bay Elementary
Kelset Elementary
Sidney Elementary

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

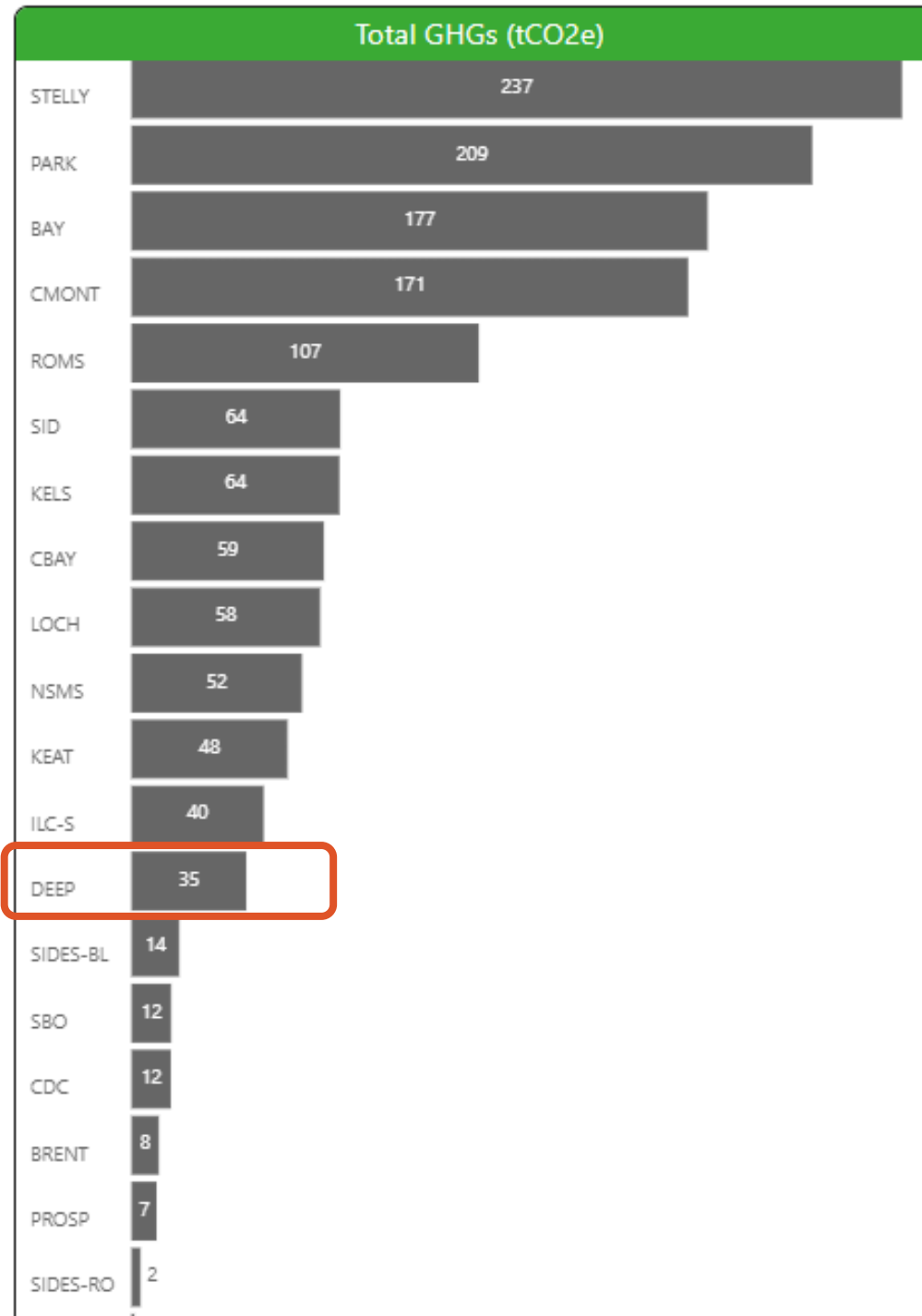
BC Hydro Continuous Optimization



Royal Oak Middle School

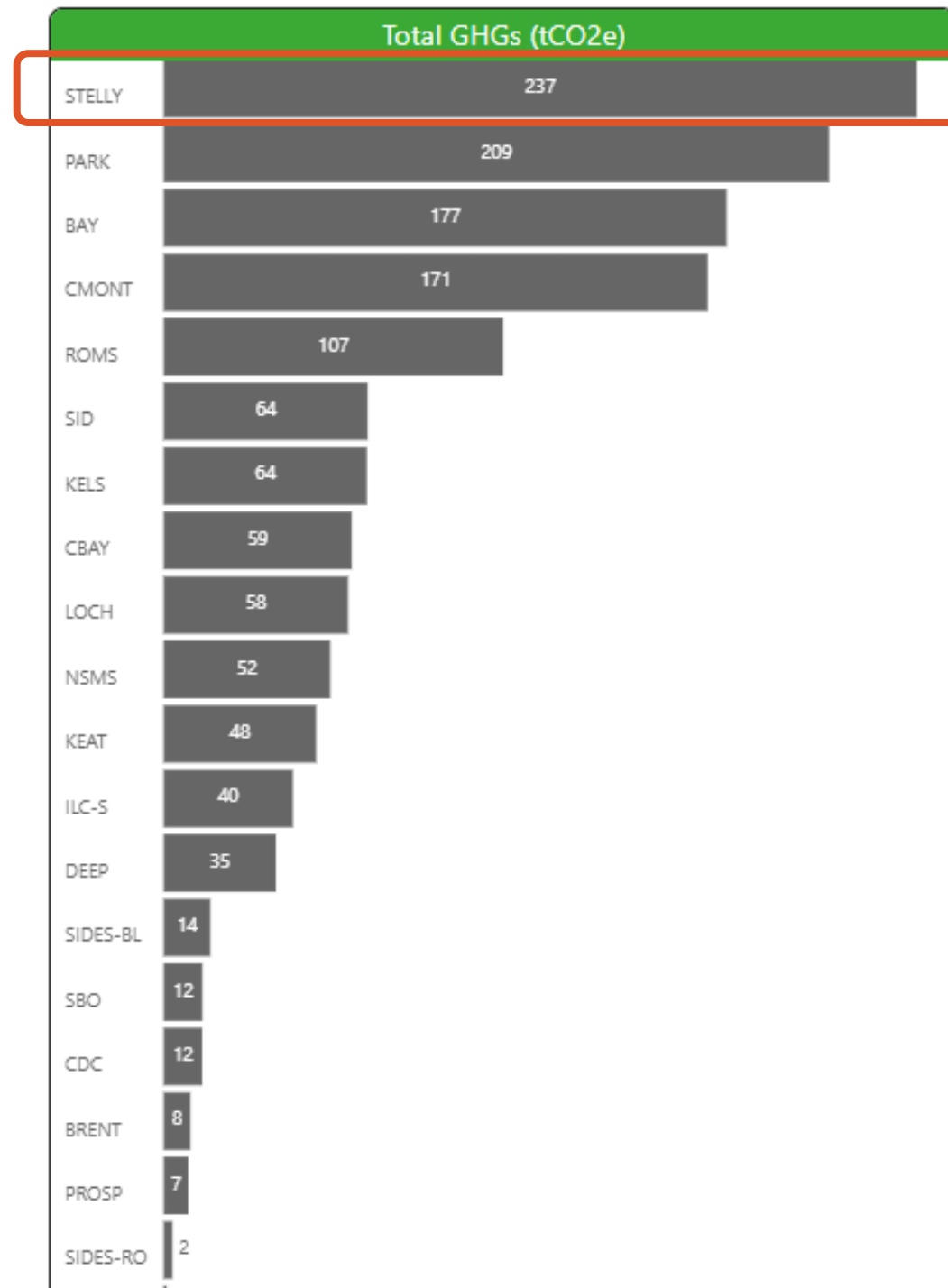
Rede

Strategic Priorities



Rede

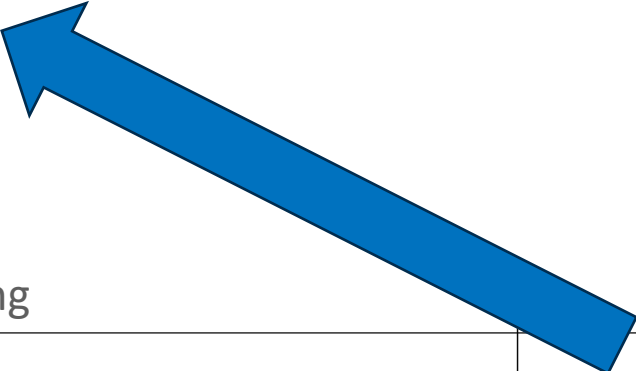
Strategic Priorities



Rede

Building Upgrade / Electrification

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

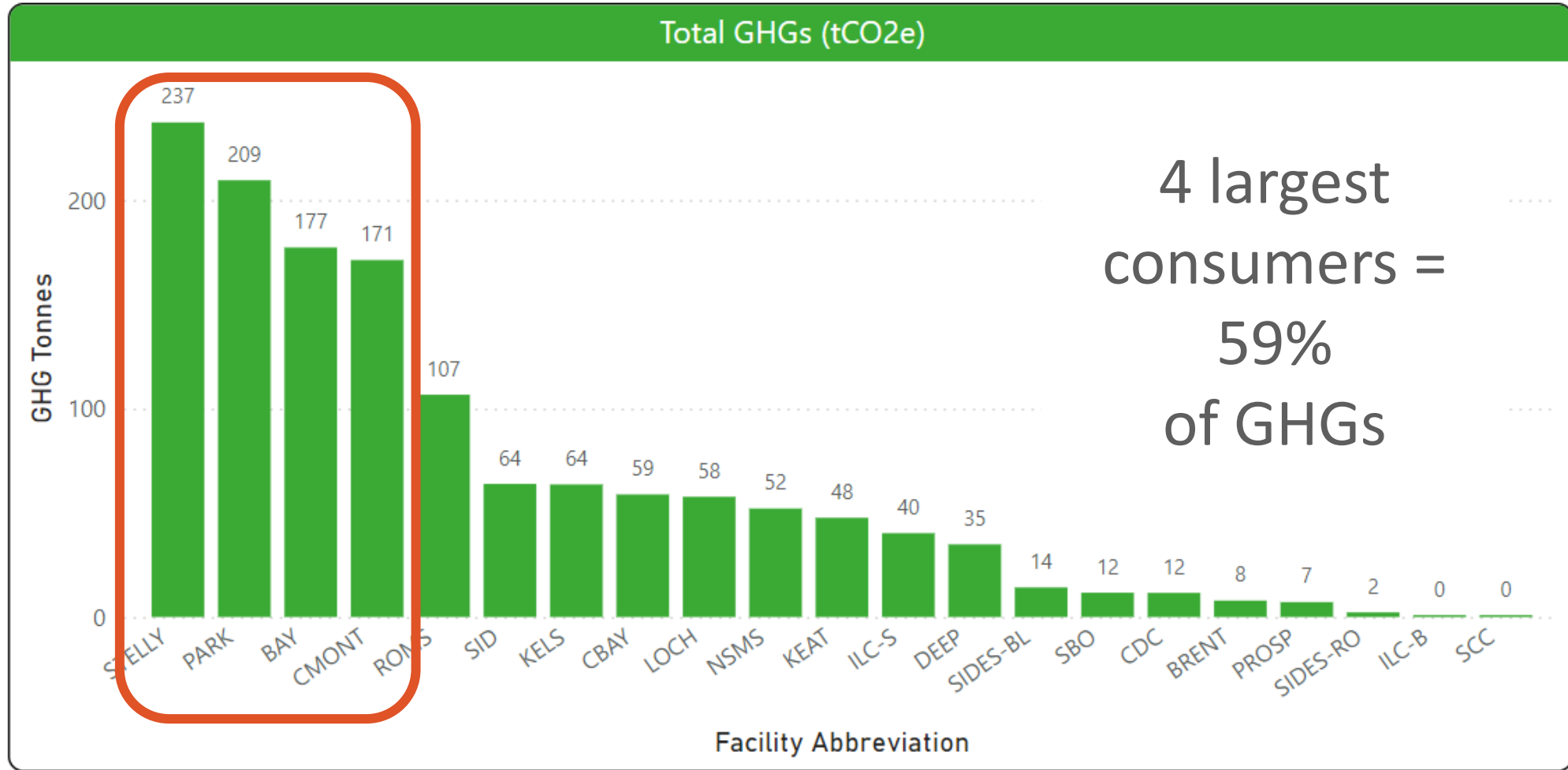


2024-25 Capital Funding

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.

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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
	\$11,105,000	842	\$25-\$30M	363	1,205

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

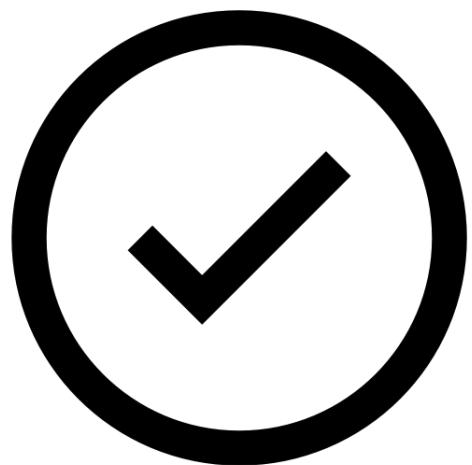
- Funded at \$40/t of lifetime savings
- Stelly's \$40/t x 15y x 200-270t
- = \$120-160K

Federal Government

Low Carbon Economy Fund (2022)

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

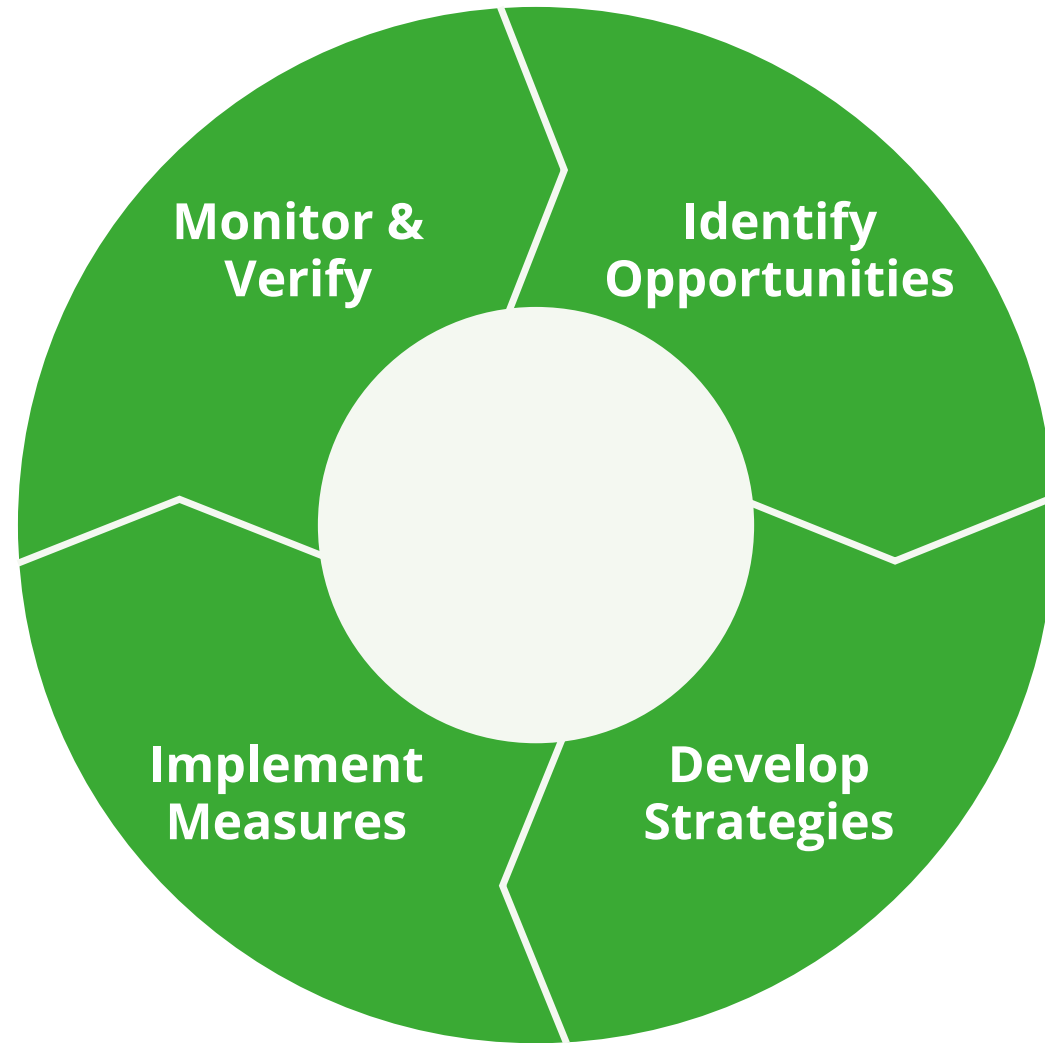
Building Electrification retrofits don't have a sufficient ROI to qualify for funding.



Other
Initiatives

Rede

Energy Management



Rede

Utility Monitoring

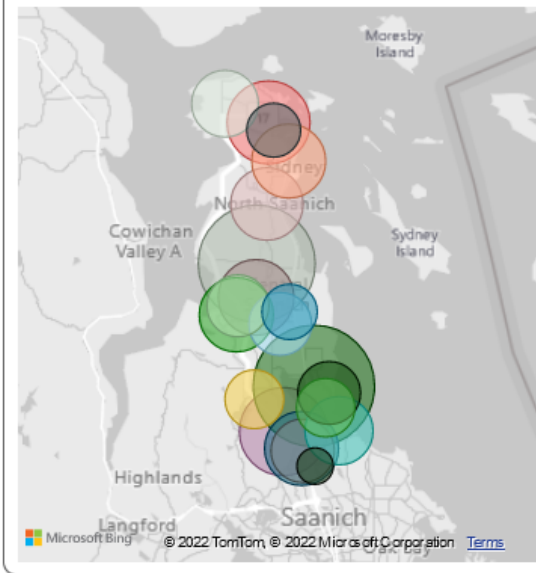
SD63 Saanich School District

Organization

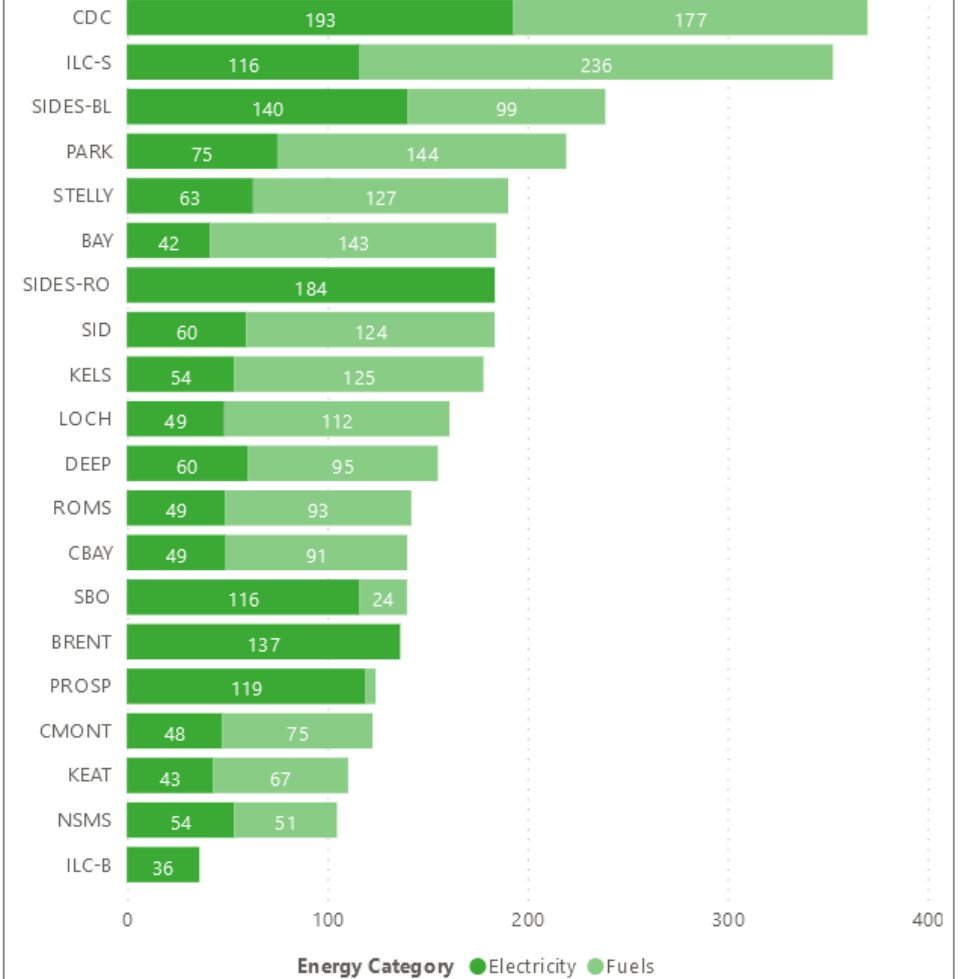
163

BEPI

Facility Map



Building Energy Performance Index (ekWh/m2)



Rede

BC Hydro Demand Response Program



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

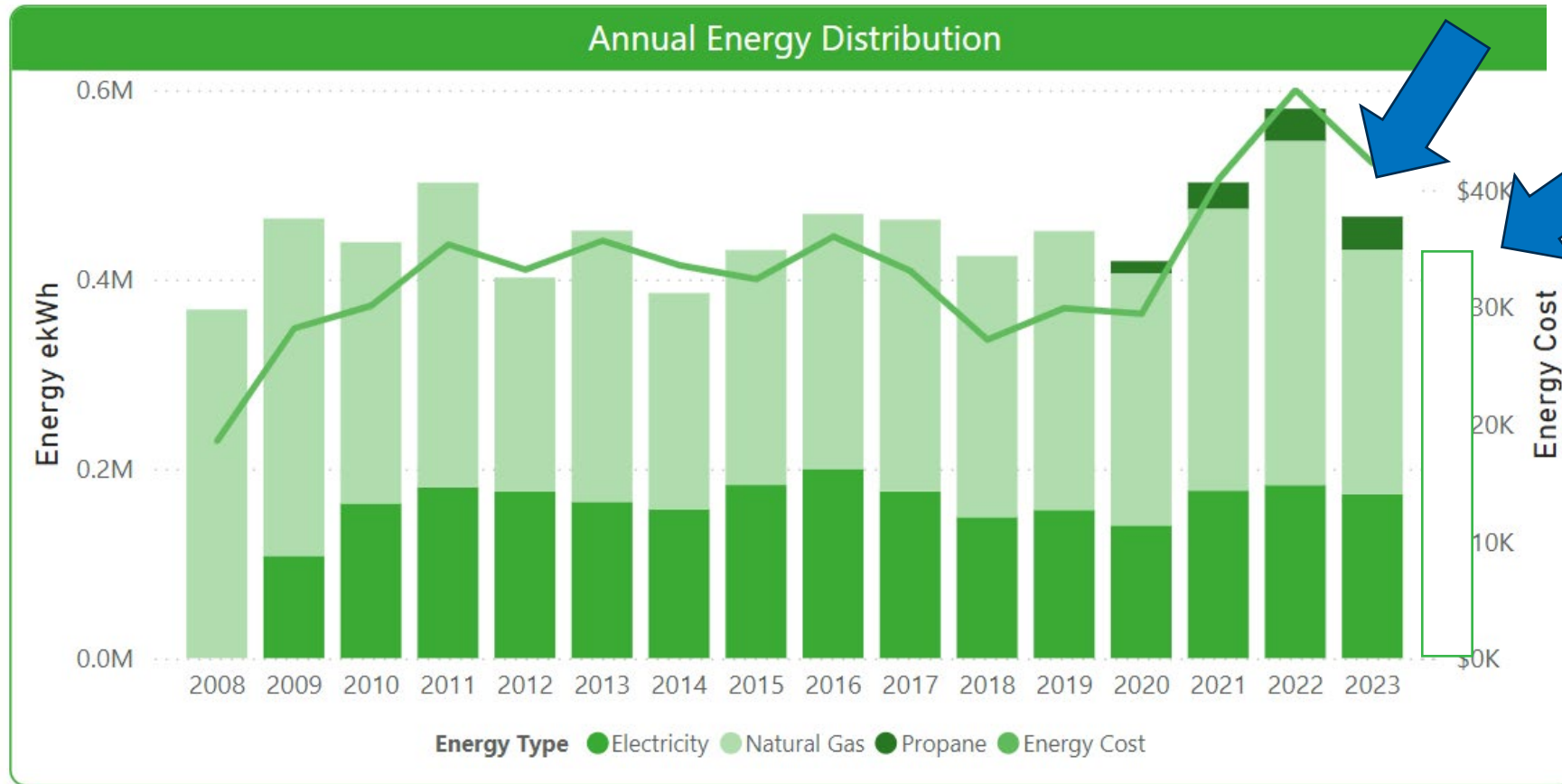
100% opt-out control

Rede

Cordova Bay

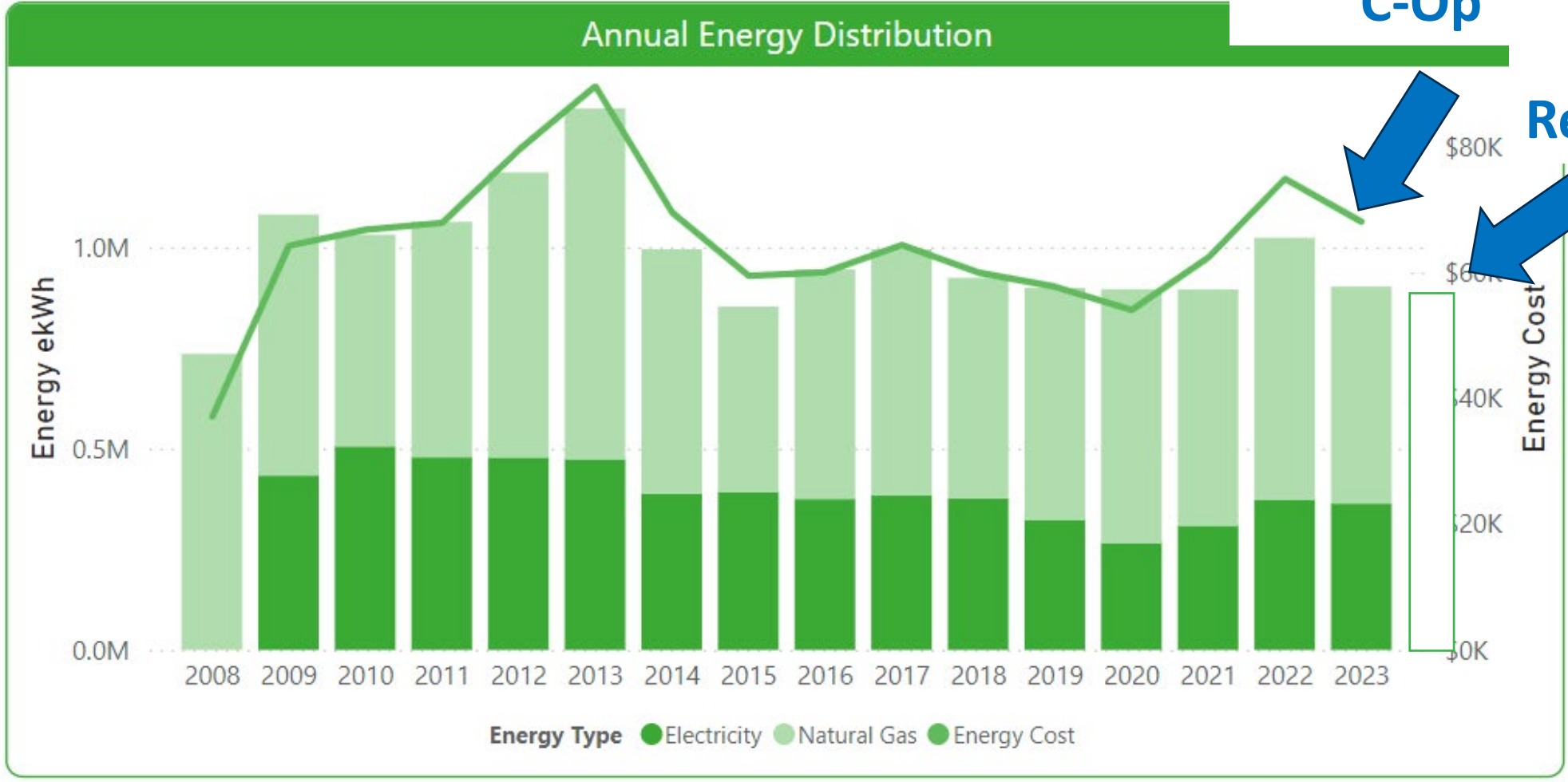
BC Hydro
C-Op

Heat Pump
Replacement



Rede

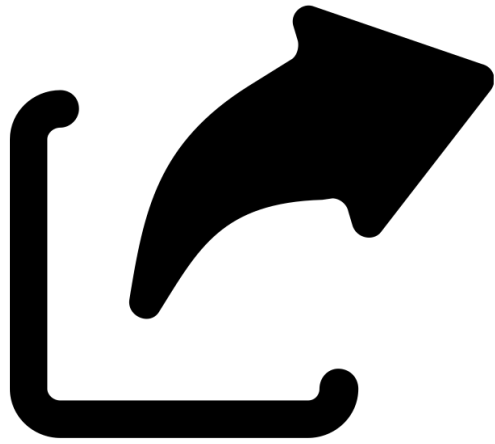
Royal Oak Middle School



**BC Hydro
C-Op**

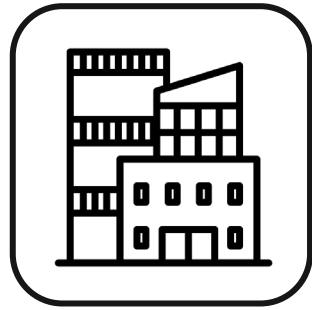
**Boiler
Replacement**

Reade

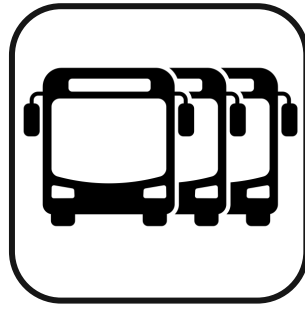


Next Steps

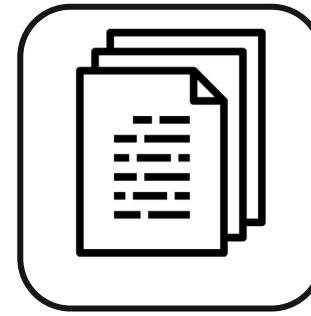
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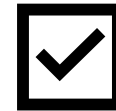
Buildings



Fleet



Paper



Rede

A reminder...

Rede

Carbon Tax Escalation

(does not include cost of offsets)



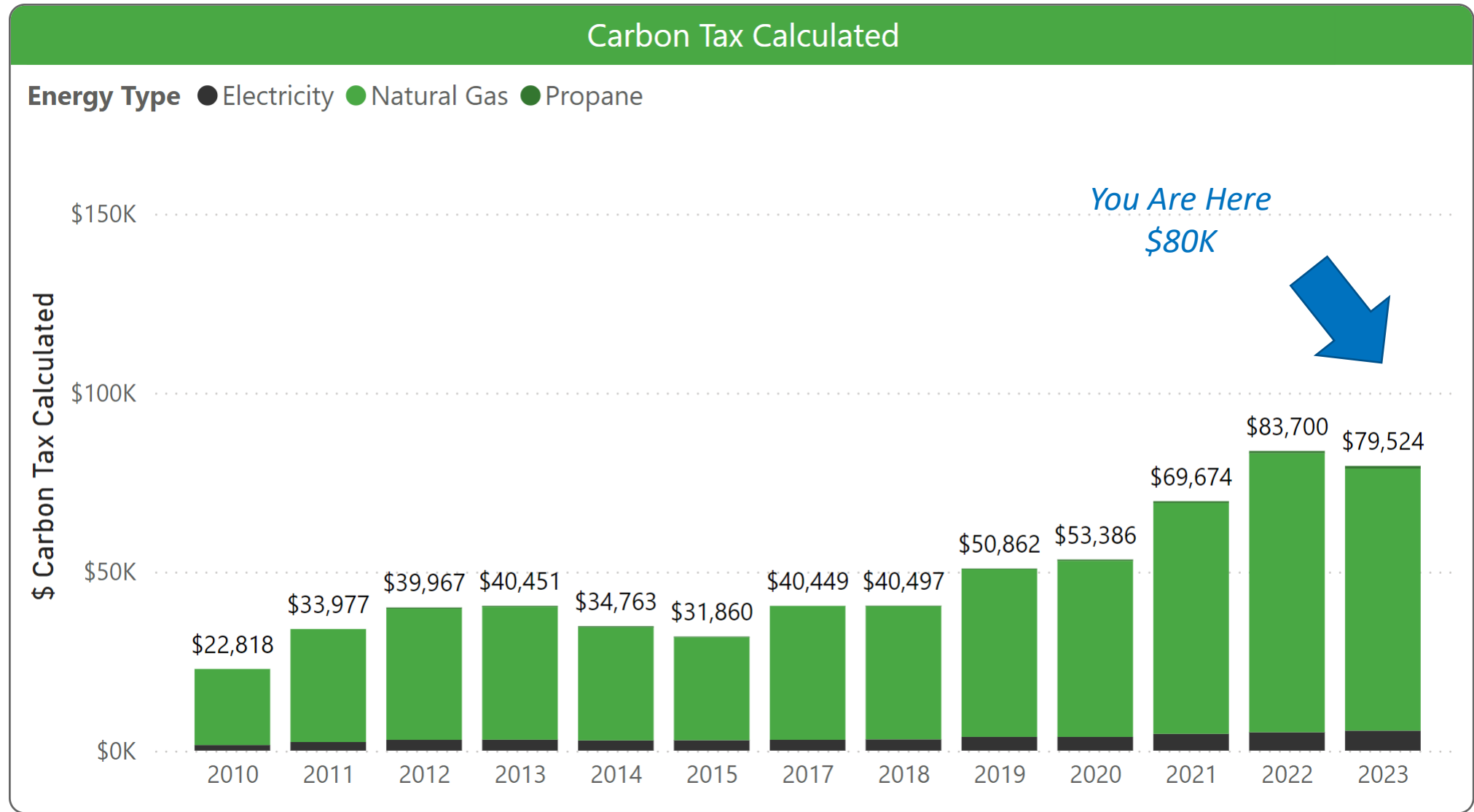
Rede

Projection based on GHG emissions from 2010 Baseline

Actual Carbon Tax Paid

(does not include cost of offsets)

Redu



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



Rede

To: Finance, Facilities and Technology Committee

Prepared By: Jason Reid

Subject Preliminary Fall Enrolment and Funding

Date: October 11, 2024

Purpose

The purpose of this briefing note is to inform the committee and Board of fall enrolment and related funding, and to recommend for the Board's approval allocation of additional funding available in forming the district's 2024/25 Amended Annual Budget.

Background

Each year the Board of Education approves a preliminary budget before the beginning of the July 1st to June 30th fiscal year. An amended annual budget is then adopted during the year (before the end of February) reflecting changes that result from:

- analysis of prior year financial results and confirmation of available accumulated operating surplus;
- confirmation of fall enrolment and resulting funding and staffing costs; and
- other circumstances that have arisen subsequent to adoption of the preliminary budget.

Preliminary Fall Enrolment and Funding

School Age Enrolment reported recently to the Ministry for funding is presented in the table below in the "2024/25 Actual" column. As enrolment validation is still pending at this stage, an estimated reduction of 45 FTE is reflected in the table below for enrolment decline resulting from duplicate resolutions (this reduction occurs primarily at the secondary level and has ranged between 25 and 45 FTE in recent years).

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2024/25	Variance
	Actual	Actual	Actual	Actual	Actual	Preliminary	Actual	Increase /
						Budget	validation pending	(Decrease)
School Age Enrolment								
Elementary	2,813	2,783	2,907	2,962	2,937	2,924	2,911	(13)
Middle	1,580	1,479	1,535	1,532	1,589	1,630	1,593	(37)
Secondary	2,237	2,150	2,154	2,150	2,171	2,189	2,251	62
Continuing Education	23	12	16	11	16	15	15	(0)
Alternate Programs (ILC)	182	182	178	198	189	190	189	(1)
Online Learning (SIDES)	287	800	573	358	453	500	560	60
Estimated Duplicate Resolution							(45)	(45)
Total School Age Enrolment	7,122	7,406	7,363	7,211	7,355	7,448	7,474	26
Unique Needs								
Special Needs - Level 1	8	8	9	10	12	12	12	0
Special Needs - Level 2	298	318	320	352	398	421	446	25
Special Needs - Level 3	243	232	246	251	243	241	237	(4)
English as a Second Language	542	531	529	520	541	585	502	(83)
Indigenous Education	559	601	621	600	594	600	621	21
Adult Education	26	44	31	27	29	25	37	12

After reflecting the estimated decline for duplication registrations, total school age enrolment has grown by 26 FTE relative to the preliminary budget forecast. This increase is attributable largely to enrolment growth at SIDES relative to forecast.

The number of designations for Level 2 Special Needs is 25 above forecast due to continue growth in the number of students designated in the autism spectrum category. The number of English as a Second Language (ELL) designations is lower than budgeted and the prior year as more students aged out of funding support (funding is received for 5 years only) than students were newly designated for ELL funding. Students designated for Indigenous Education increased by 21. Adult Education, which is comprised almost entirely of non-grad adult students attending SIDES is 12 FTE above budget.

While not presented in the table above, the number of graduated adults attending SIDES also grew by 25 FTE. Funding for graduated adults is provided through a different mechanism and is dependent, in part, on course completion.

As shown in attachment 1, projected enrolment and designation-based funding has grown by \$850,328. This figure will change and will hopefully increase as duplicate enrolments are resolved over the next few weeks.

Expenditure Budget Changes (see Attachment 1)

Following adoption of the preliminary budget in the spring each year, enrolment-based changes are made to staffing budgets consistent with collective agreement requirements and to ensure necessary support services are in place. Based on experienced enrolment and designation growth the following staffing increases have or will be deployed:

- Enrolling Teacher - increase by \$380,343 (3.0 FTE)
- Non-Enrolling Teacher (Teacher Librarian) – increase by \$25,356 (0.2 FTE) to meet collective agreement ratio
- Inclusive Education - increase by \$400,000
- Indigenous Education – increase by \$37,170 (allocate growth in targeted funding)

Another proposed budget change is to reflect operating savings of \$88,000 from the conversion to the new phone system.

I recommend approval of the proposed amendments to the expenditure budget at this time.

Net Funding from Enrolment Growth

As shown in Attachment 1, the estimated net funding from growth (after reflecting the above proposed budget changes) is \$95,459. As enrolment based funding (and possibly expenditures) will vary from forecast following resolution of duplicate enrolments, I recommend that allocation of net funding from growth be deferred to November.

Considering the risk to future budgetary balance as outlined in the Multi-year Financial Plan, my recommendation will be to allocate net funding from growth to reduce appropriation of accumulated surplus funding continuing expenditures and to increase the contingency reserve.

Staff Recommendation

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

With Respect,

Jason Reid
Secretary Treasurer

JR

Attachment: 1 - Net Funding from Enrolment Growth

Attachment 1: Net Funding from Enrolment Growth

	2024/25 Forecasted Enrolment	2024/25 Actual Enrolment (validation pending)	Difference	Rate	Incremental Funding
Basic Allocation	6,948.00	6,962.94	14.94	\$8,915	133,168
Basic Allocation - Online Learning	500.00	560.06	60.06	\$7,200	432,450
Unique Needs - Level 1	12.00	12.00	0.00	\$50,730	0
Unique Needs - Level 2	421.00	446.00	25.00	\$24,070	601,750
Unique Needs - Level 3	241.00	237.00	(4.00)	\$12,160	(48,640)
English Language Learning	585.00	502.00	(83.00)	\$1,795	(148,985)
Indigenous Education	600.00	621.00	21.00	\$1,770	37,170
Non-Graduated Adults	25.00	36.50	11.50	\$5,690	65,435
Graduated Adults (25 FTE increase)					150,000
Estimated Funding Reduction from Duplicate Enrolment Resolution (45 FTE)					(372,020)

Funding growth relative to preliminary budget

850,328

Proposed Expenditure Budget Increases - Enrolment Based

Increase - Enrolling Teacher (3.0 FTE)

(380,343)

Increase - Non-Enrolling TL (0.2 FTE)

(25,356)

Increase - Inclusive Education

(400,000)

Increase - Indigenous Education

(37,170)

Increased Staffing Budget

(842,869)

Proposed Budget Changes - Other

Phone System Upgrade - annual operating savings

88,000

Total Expenditure Growth

(754,869)

Estimated Revenue Growth net of Expenditures

95,459

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
Operating Fund	3,100,714	(335,514)
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
Total Internally Restricted	3,678,596	1,358,605	2,159,936
Contingency Reserve (Unappropriated Surplus)	3,081,561	2,300,838	1,499,507
Total Accumulated Surplus	6,760,157	3,659,443	3,659,443

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.

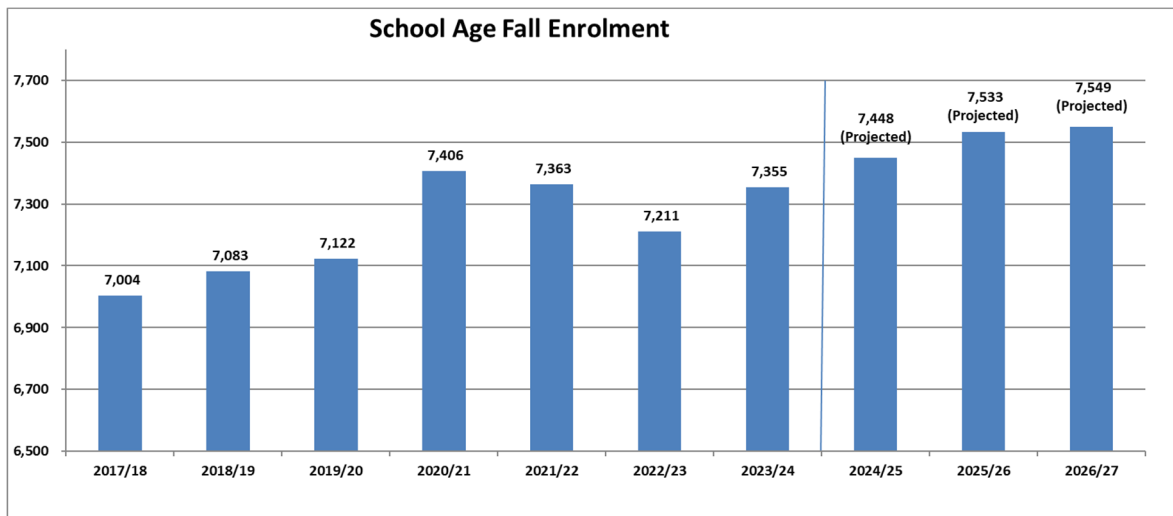
Multi-Year Financial Projections (Operating Fund)

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
Revenues					
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
Total Revenue	89,530,761	99,250,059	101,308,244	104,604,788	107,750,852
Expenses					
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
Total Salaries	60,769,572	66,852,965	70,779,415	73,057,600	75,238,908
Employee Benefits	16,021,019	17,330,286	18,036,711	18,896,212	19,736,502
Total Salary and Benefits	76,790,591	84,183,251	88,816,126	91,953,812	94,975,410
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
Total Service and Supplies	11,316,999	11,096,687	13,246,097	13,511,019	13,781,239
Operating Surplus (Deficit)	1,423,171	3,970,121	- 753,979	- 860,043	- 1,005,797
Interfund Transfers	- 1,758,685	- 869,407	- 1,015,488	- 1,035,798	- 1,056,514
Total Operating Surplus (Deficit)	- 335,514	3,100,714	- 1,769,467	- 1,895,841	- 2,062,311
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
Accumulated Operating Surplus, Closing	3,659,443	6,760,157	4,990,690	3,094,849	1,032,538

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.