



BUDGET ADVISORY COMMITTEE MEETING

Thursday, January 23, 2025

3:00 pm, Board Room

Committee Members:

Keven Elder, Chair
Susan Hickman, Trustee
Elsie McMurphy, Trustee
Dave Eberwein, Superintendent of Schools
Paul McKenzie, Assistant Superintendent
Peter Westhaver, Director of Instruction
Carly Hunter, Director of Instruction,
regrets
Jason Reid, Secretary Treasurer
Megan Cimaglia, Director of Finance

Don Peterson, STA
Shannon Toronitz, STA
Candace Whitney, CUPE,
regrets
Laura Mackie, CUPE
Mel Paas, SAA
Tassie Harris, SAA
Spencer Gray, SISP
David Tunbridge, COPACS, regrets

Other Attendees: Chair Dunford, Vice Chair Silzer, Trustee Vandall, and Trustee Van Well

Meeting Notes

- Committee Chair Elder acknowledged the meeting was being held on the territory of the ~~W~~SAÑEĆ people and welcomed committee members and guests.
- The committee reviewed the Timelines/Process and Guiding Principals, which were approved by the Board at the November 27, 2024 Board meeting. It was noted that the scheduled publication of the Provincial Budget had been delayed to March 4, 2025. Secretary Treasurer Reid noted that this date would be amended in the Timelines/Process. The committee agreed that the annual budget meeting with the Saanich Teachers Association and with other partner groups (who request a meeting in advance) would be included in the timeline/process next year.
- The committee reviewed the Committee Terms of Reference and it was agreed they be presented to the Board for approval. The committee agreed that the local Nation be invited to participate in the budget process. Superintendent Eberwein noted he would extend the invitation to the Nation and discuss if they would like to be engaged in the budget advisory committee process.
 - **Committee Recommendation: That the Board approve the Budget Advisory Committee terms of reference.**
- Secretary Treasurer Reid presented the 2025/26 Budget Process Consultation Plan and the committee discussed the budget context for 2025/26 and the consultation approach. The committee agreed that the plan be presented to the Board for approval.
 - **Committee Recommendation: That the Board approve the 2025/26 Budget Process Consultation Plan.**
- The committee discussed advocacy strategies for Board consideration:
 - The committee discussed advocating to local municipalities in order to encourage more family friendly residential development.
 - The committee discussed past and potential future advocacy regarding unfunded inflationary pressures. A potential key message being "If inflation is not funded, future programs will have to be cut."

- Committee Chair Elder adjourned the meeting.

Next meeting: **Thursday, February 20, 2025, 3:00-5:00pm**



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AGENDA

1. Welcome
2. Review of Timeline & Guiding Principles (Board approved November 2024)
3. Review Committee Terms of Reference (for Board approval)
4. Review 2025/26 Budget Process Consultation Plan (for Board approval)
5. Advocacy Strategies
6. Next meeting: **Thursday, February 20, 2024, 3:00-5:00pm**

School District No. 63 (Saanich)
2025/26 PRELIMINARY OPERATING BUDGET
TIMELINES / PROCESS

| | |
|-------------|---|
| January | Management develops 2025/26 enrolment projections |
| January 23 | Budget Advisory Committee meeting, 3:00–5:00pm <i>Review timeline, guiding principles, committee terms of reference, budget process consultation plan, and advocacy strategies</i> |
| February 4 | Finance, Facilities and Technology Committee meeting, 10:30-12:00pm <i>Review Budget Process Consultation Plan & Budget Advisory Committee Terms of Reference</i> |
| February 12 | School Board Meeting, 7:00pm <i>Approve Budget Process Consultation Plan & Budget Advisory Committee Terms of Reference</i> |
| February 20 | Budget Advisory Committee meeting, 3:00–5:00pm |
| March 4 | Provincial Budget 2025 released |
| March 4 | Finance, Facilities and Technology Committee meeting, 10:30-12:00pm |
| March 12 | School Board Meeting, 7:00 pm |
| March 14 | 2025/26 District funding allocations from government |
| April 10 | Budget Advisory Committee meeting, 3:00–5:00pm |
| April 15 | Finance, Facilities and Technology Committee meeting, 10:30-12:00pm |
| April 16 | School Communities and Public Budget Meeting, Bayside Middle School, 7:00pm |
| April 23 | School Board Meeting, 7:00pm |
| April 24 | Management Team working session, 2:00–4:00pm |
| May 1 | Budget Advisory Committee meeting, 3:00–5:00pm |
| May 6 | Finance, Facilities and Technology Committee meeting, 10:30-12:00pm |
| May 7 | Committee of the Whole/Special School Board Public Budget Meeting, 7:00pm |
| May 14 | School Board Meeting, 7:00pm <i>Approval of budget and submission to Ministry of Education by June 30, 2025</i> |



2025/26 BUDGET GUIDING PRINCIPLES

The Saanich Board of Education will keep support for students at the forefront of its decisions. The Board will be guided in making difficult budget decisions by its values of Compassion, Honesty, Fairness, Respect and Responsibility and its beliefs that:

Public education is fundamental to society and schools must prepare young people as citizens.

Public education is the responsibility of the whole community.

Healthy relationships are the foundation of a successful public education system.

- In establishing budgets, the Board will consult with representatives of partner groups and with the broader community.
- In establishing the 2025/26 annual budget the Board will, to the greatest extent possible, maintain or enhance programs and services for the students of School District No. 63.
- The Board recognizes that budget decisions are best informed by the identification and evaluation of strategic and operational priorities.
- In reviewing programs and services as part of budget deliberations, the Board will endeavour to support these in the most effective, cost efficient and culturally appropriate manner.
- The Board is committed to administrative and operational efficiency, and appropriate management of risk including the provision of safe and healthy learning environments and sustainable environmental practices.
- The Board will consider options related to the number, locations and use of facilities and the school calendar.
- The Board recognizes that committed reserves are an important element of sound budget management.
- As a sound financial practice, the Board recognizes that a contingency reserve is prudent to address unforeseen budget pressures.
- The Board is committed to responsible long term financial planning.
- The Board will continue to review opportunities to enter into additional revenue generating activities provided they have a strong tie to public education and student success.
- The Board is committed to continued advocacy for stable, adequate funding and a fair allocation system.

TERMS OF REFERENCE

Purpose:

1. To advise the Board of Education on the allocation of the operating budget to various programs and services to best meet our student needs within variable revenues;
2. To provide the Board with representative advice on budget issues and implications of proposed changes;
3. To provide advice on new priorities and emerging opportunities;
4. To provide a forum for open communication and understanding of the budget;
5. To provide advice on and assist in the effective communication of financial issues and decisions throughout the district, and beyond.
6. To advise the Board of Education on strategies relating to advocacy.

Membership:

- Finance Facilities and Technology Committee Chair is Chair of the Budget Advisory Committee
- Other Finance Facilities and Technology Committee Trustees
- Executive Staff
- Director of Finance
- Two representatives from school administration (Saanich Administrators' Association)
- Two representatives from Saanich Teachers' Association
- Two representatives from CUPE 441
- Two representatives from COPACS
- One representative from SISP

Meetings are public and open to non-members.

Meetings:

To meet at least three times between January and May

Report to:

Finance, Facilities and Technology Committee of the Board

Indicators of Success:

- All members are aware of the contents of the operating budget and communicate positively about that understanding;
- All members understand the budget issues and work together to solve them;
- There is a good level of trust, openness and sharing on the committee among all members; and where possible decisions are made through consensus;
- All employees and partners in the district are receiving effective communication about the budget;
- Committee provided useful advice to the Board of Education.



2025/26 Budget Process Consultation Plan

Prepared by: Jason Reid

Date: January 20, 2025

District Overview

The Saanich School District provides a diverse array of programs and services in 18 schools for more than 8,000 students. The district has over 1,300 staff and an annual program budget (operating and special purpose fund) of about \$118 million.

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.

The 2022-2027 Strategic Goals:

► **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

Budget Planning Cycle

In November 2024, the Board approved the Timelines/Process and Guiding Principles for 2025/26 Budget Planning. These documents have been posted to the [budget consultation site](#). Through out the process, information relevant to the consultation will be posted to this site including agenda packages and meeting notes of the Budget Advisory Committee.

The focus of the budget planning process is the development of the preliminary budget for the following fiscal year. However, this is only part of an annual budget cycle comprised of a series of inter-related processes. School districts are also unique in adopting both a preliminary budget and an amended budget following confirmation of fall enrolment and funding. The changes that occur between the preliminary and amended budget are informed by priorities identified during the spring budget consultation process.

For more information on the annual budget planning cycle refer to appendix 1.

Enrolment and Funding

Approximately 85% of operating fund revenues are determined by per student funding allocations. In the 2024/25 preliminary operating budget, budgeted operating revenues are \$101.3 million and include:

- \$65.8 million – per pupil fall enrolment funding (Sept 30th),
- \$16.9 million - funding for unique need designations (Sept 30th), and
- \$2.8 million – February, May and July enrolment funding.

The preliminary budget is prepared based on forecasted Sept 30th enrolment, and the amended budget reflects actual Sept 30th enrolment.

Given the significance of enrolment in determining funding, forecasting enrolment is an important part of the budget process. Enrolment forecasting is also important for informing facilities planning work. Each year, new enrolment projections are preparing reflecting historical observation, BC Stats population projections, and local knowledge including known local factors impacting enrolment such as residential development, changes to programs, or a change in school capacity.

Figure 1: Fall Enrolment History (FTE)

| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Elementary Schools | 2,677 | 2,748 | 2,813 | 2,783 | 2,907 | 2,962 | 2,937 | 2,911 |
| Middle Schools | 1,588 | 1,566 | 1,580 | 1,479 | 1,535 | 1,532 | 1,589 | 1,593 |
| Secondary Schools | 2,235 | 2,284 | 2,237 | 2,150 | 2,155 | 2,150 | 2,171 | 2,220 |
| CE/ALT programs | 194 | 202 | 205 | 194 | 194 | 209 | 205 | 208 |
| Total In-person learning | 6,694 | 6,800 | 6,835 | 6,605 | 6,790 | 6,853 | 6,902 | 6,932 |
| Online Learning (SIDES) | 310 | 282 | 287 | 800 | 573 | 358 | 453 | 559 |
| Total School Age Enrolment | 7,004 | 7,083 | 7,122 | 7,406 | 7,363 | 7,211 | 7,355 | 7,491 |
| Adult Enrolment | 57 | 61 | 73 | 133 | 96 | 80 | 88 | 119 |
| Total Fall Enrolment | 7,061 | 7,143 | 7,195 | 7,539 | 7,459 | 7,291 | 7,443 | 7,610 |
| Increase/(decrease) over prior year | | 82 | 52 | 344 | - 80 | - 168 | 152 | 167 |

Following a period of enrolment volatility during and following the pandemic (particularly at SIDES), enrolment is settling into a more predictable pattern. Enrolment has declined at elementary for the past two years but continued to grow at middle and secondary as larger cohorts (from elementary growth in previous years) now move through middle and then secondary schools. As these larger cohorts graduate there will be downward pressure on enrolment in future years. In-migration at all grade levels provides upward pressure on enrolment, but is more difficult to forecast.

Online learning enrolment growth during the past 2 years is attributed to the Saanich online learning program (SIDES) being granted Provincial Online Learning School (POLS) status. Beginning in 2023/24, other online learning programs not granted POLS status are no longer able to cross enrol students from outside their district boundaries.

The district is still reviewing the updated enrolment forecast for 2025/26 to 2034/35, which will be available for the February BAC meeting.

Components of the Budget

The school district's budget is comprised of three separate funds: Operating Fund, Special Purpose Fund and Capital Fund. Each of these funds differs with respect to the methods of accounting used, the legislative and other constraints, and relevance to the budget planning process. The table below describes each of the funds and their relevance to the budget planning.

| | |
|--|--|
| Operating Fund 2024/25 Budgeted Revenues: \$101.3 million | <p>Annual program revenues and expenditures are reported within the operating fund and special purpose fund (see below). Grants from the Ministry of Education accounted for \$88.8 million (88%) of budgeted operating revenues in the preliminary 2024/25 budget. The budget consultation process focuses primarily on the operating fund.</p> <p>Annual and accumulated surplus within 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 <u>accumulated</u> deficit position in the operating fund. This means when a school district has accumulated operating surplus available it can be used to budget for future expenditures and to reduce financial risk associated with unforeseen expenditures.</p> |
| Special Purpose Fund 2023/24 Actual Revenues: \$19.0 million | <p>The special purpose fund includes grants and school generated funds that are restricted for a specific purpose. The largest component of the special purpose fund is the classroom enhancement fund (2023/24 Actual Revenues: \$12.2 million), which beginning in fiscal 2017/18 funds the cost of the restored class size and composition language.</p> <p>Because these funds are restricted for a specific purpose, they are generally not a focus of the budget planning process except as contextual information. If expenditures for a program within the special purpose fund exceed available revenues, the resulting deficit is transferred to the operating fund reducing accumulated operating surplus. Annual and accumulated surplus in the special purpose fund is always zero.</p> |
| Capital Fund 2023/24 Actual Capital Funding: \$6.7 million | <p>The capital fund budget is determined through the Board of Education's approval of the annual capital plan and other funding applications, and by subsequent Ministry approval. As the capital fund budget is determined through a separate process, it is generally outside the scope of the budget planning process.</p> |

Contingency Reserve

Policy 19 (Accumulated Operating Surplus) requires that a Contingency Reserve be established that is sufficient to reduce, to an appropriate level, financial risk that results from financial forecasting risk and/or unforeseen circumstances. The overall objective is to protect continuity of educational programs in the school district. Once established the Contingency Reserve is to be used only to fund additional cost pressures that result from circumstances beyond the school district's control or, with the Board of Education's approval, in response to unforeseen circumstances.

The current contingency reserve to be reflected in the 2024/25 Amended Budget is \$3.3 million, or approximately 2.8% of operating and special purpose revenues (2023/24 Contingency reserve was approximately 2.1%).

Having an appropriate contingency reserve in place allows the Board to adopt a budget with assumptions that are less conservative and more reflective of the most likely scenario. When a contingency reserve becomes depleted, future budget pressure will increase significantly as more conservative assumptions become necessary.

2025/26 Budget Context

Strategic Plan 2022-2027

The budget planning process for several years has increasingly focused on budget decisions being informed by strategic priorities. The strategic plan identifies the following four priority areas:

- Literacy
- Indigenous Learner Success
- Mental Health and Wellness
- Global Citizenship

Implementation of these priorities is driving operational plans and how existing resources are being deployed. This includes the deployment of district and teacher leadership capacity, and curriculum and professional development budgets in support of improving performance in these priority areas. Implementation of the strategic plan will drive budget decisions by identifying specific strategies to improve student achievement, and their related budget implications.

Multi-Year Financial Plan

In October 2024, the Board approved the [2024 – 2027 Multi-Year Financial Plan](#).

The purpose of the plan is to demonstrate how financial resources are used longer term to support strategic priorities and operational needs to enhance student educational outcomes.

A significant risk identified in the plan is that inflationary cost pressures are forecasted to continue exceeding funding growth over the next 3 years. The 2024/25 Amended Budget includes appropriation of accumulated surplus of \$1.6 million to fund continuing expenditures, which is an increase of \$1.0 million over the 2023/24 appropriation. This increased dependence on one-time reserves was necessary to offset significant unfunded inflationary pressures in 2024/25.

As reported in the Multi-Year Financial Plan, financial pressure is forecasted to continue growing as expenditure growth is expected to outpace funding growth. As a result, unless the ministry deviates from its historical practice of not fully funding inflation, future budget reductions will likely be necessary.

Through the budget process, the preparation and review of monthly fiscal forecasts will inform BAC's understanding of projected budgetary balance.

Options to Address Budget Shortfalls Identified in Prior Year

As part of the consultation in the development of the 2024/25 Preliminary Budget last spring, 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](#) (click 2024-25 tab). 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.

Budget Consultation Process

Effective implementation of the Board’s strategic plan necessitates alignment of budget decisions with strategic plan priorities. [Board policy 2 \(Role of the Board\)](#) includes “Improvement of student achievement and individual success” as a specific area of responsibility and 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.

The ministry’s [Framework for Student Learning \(FESL\)](#) states that annual and multi-year financial planning should be driven by strategic plan priorities, and that financial and operational plans should be monitored and adjusted through a framework for continuous improvement.

In addition to improving student outcomes, the Board is also responsible for ensuring that significant operational risks are being managed. These operational risks often align with strategic priorities, but may also align with the Board’s other legislated responsibilities (example: health and safety, protection of privacy, etc.).

A foundation of the budget consultation process is community engagement on the development of a budget that aligns with and supports the strategic plan and, where necessary, the mitigation of significant operational risk.

Community Consultation Process

Engagement with district staff, partners and the community informs the budget process through both formal planning meetings and continuous engagement. The [approved timelines/process](#) includes four Budget Advisory Committee (BAC) meetings, a community budget meeting, and other meetings leading to a Special School Board Public Budget Meeting on May 7, 2025.

The key components to the 2025-26 Budget consultation process include:

- Consultation with partner groups through representation on the Budget Advisory Committee,
- Student voice meetings building upon ongoing engagement with students informing implementation of the strategic plan,
- Consultation meeting with representatives of the WSÁNEĆ School Board,
- Consultation meetings with partners and stakeholders as requested,
- Considering the budget implications of specific initiatives to improve student achievement in identified strategic priority areas, and/or to address operational risks, and
- A community budget meeting to present the budget context and identified budget priorities for community feedback.
 - The primary mechanism for receiving feedback will be the community survey, and there will also be opportunities to provide feedback in the meeting through group discussion.

To increase involvement in the budget consultation process last spring, committee members agreed to increase the distribution of invitations (including background information and the survey link) to include all parents and all staff. This change will be reflected in the 2025 community engagement plan to be reviewed by the committee at the April 10th BAC meeting.

Information Guiding the Budget Consultation Process

During the budget consultation process the following information will be presented to the Budget Advisory Committee:

- Enrolment forecast and estimated revenue
- Monthly fiscal forecast including projected accumulated surplus, and analysis of budget sustainability
- Historical budget trends and budget changes
- Review of Provincial Budget 2025.
 - As Budget Day in 2025 has been delayed until the first week in March, implications of the Provincial Budget will be reviewed at the April 10 BAC meeting.
- Estimated 2025/26 budget pressure reflecting estimated changes to revenues and expenses
- Results of analysis of department and school budget allocations
- Review the budget implications of specific initiatives to improve student achievement in the identified strategic priority areas.
 - In previous years this was reviewed at the April BAC meeting. In 2025 this will be reviewed earlier at the February BAC meeting to provide more time for committee consideration prior to the commencement of community engagement.
- Review 2025 Risk Report and any related budget implications
- Proposed adjustments to balance budget and/or address priorities identified and relevant analysis.

Appendix 1 – Annual Budget Planning Cycle

The school district's fiscal year ends on June 30th (i.e. fiscal year 2025/26 begins July 1, 2025 and ends June 30, 2026). The budget planning cycle is comprised of a series of activities related to planning, implementation, monitoring and reporting.

| | |
|---|---|
| Jan to June, 2025 (in 2024/25 fiscal year) | <ul style="list-style-type: none"> January to May – Budget planning process leading to adoption of 2025/26 Preliminary Budget (as described in this plan). February - Adoption of the 2024/25 Amended Budget reflecting adjustments to the 2024/25 preliminary budget following confirmation of 2023/24 actual results, 2024 fall enrolment/staffing, and other changes. January to May – Monthly forecasting of actual results in relation to the 2024/25 amended budget. Projected 2024/25 surplus/(deficit) informs the 2025/26 budget planning process by both measuring the current budget structural balance and estimating the projected accumulated operating surplus available for the 2025/26 budget year. |
| July to Sept, 2025 (in 2025/26 fiscal year) | <ul style="list-style-type: none"> July to September – Completion and audit of 2024/25 financial statements confirming actual results including accumulated operating surplus available for the 2025/26 budget year. August to September – leading to school start-up actual enrolment figures (while not yet final) become more apparent necessitating adjustments to staffing and related funding estimates. |
| Oct to Dec, 2025 (in 2025/26 fiscal year) | <ul style="list-style-type: none"> October to December - Confirmation of final Sept 30th enrolment and related staffing changes and Board approval for allocation of net enrolment growth funding (these changes are reflected in the 2025/26 Amended Budget adopted by the Board February 2026). December - Board approval of 2026/27 Budget Timelines/Process and Guiding Principles. |