

## Invitation and Background Document 2025/26 Budget Consultation



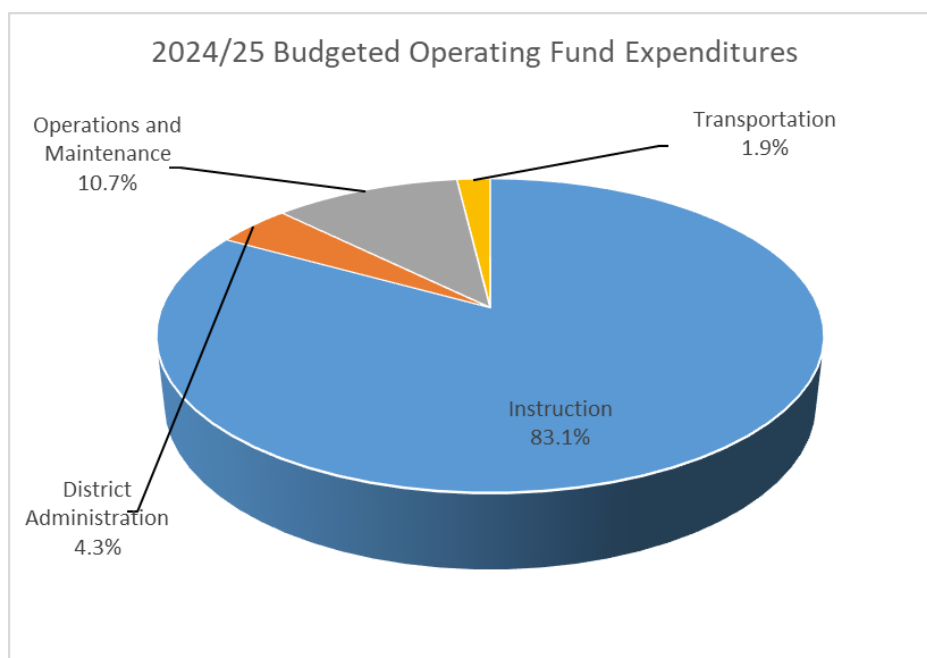
The Board of Education is seeking your input to inform development of the 2025/26 Budget (July 1, 2025 to June 30, 2026) and beyond, through completion of a survey and participation in a Community Budget Meeting on Wednesday, April 16<sup>th</sup> at 7pm at Bayside Middle School, 1101 Newton Place, Brentwood Bay. Public participation in this process is important for the Board's adoption of a budget that reflects the values, beliefs and priorities of the community. To inform completion of the survey, this document provides further background on the Saanich School District, the budget consultation process, and the budget context for 2025/26.

### About the Saanich School District

The Saanich School District enrolls close to 8,000 students in fourteen neighbourhood and a number of 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, a Kindergarten to Grade 12 online learning school called SIDES (South Island Distance Education School), and at SISP (Saanich International Student Program).

In 2024/25 (current year), the district budgeted for revenues of \$103.2 million in the operating fund<sup>1</sup>. These revenues were comprised of: provincial grants (\$89.2 million); direct funding from First Nations (\$4.1 million); federal grants (\$0.5 million); international student tuition (\$4.6 million); international student homestay fees (\$3.0 million); and other revenues (\$1.8 million).

As shown below, in the 2024/25 budget the Saanich School District invested 83.1% of the operating fund budget into instructional programs.



<sup>1</sup> Additional targeted program funding/revenues are reported in the special purpose fund (\$19.0 million in the 2024/25 budget). Most special purpose funding is targeted for specific instructional program initiatives.

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Operations and Maintenance was 10.7% of 2024/25 budgeted expenditures and includes facilities/grounds maintenance, custodial, information technology, health and safety, and utilities. The district operates 20 facilities and approximately 960,000 square feet of space.

District administration was 4.3% of 2024/25 budgeted expenditures and includes Board governance, educational leadership, finance and payroll, human resources, and communications.

Transportation costs, including the operations of the school bus fleet, was 1.9% of 2024/25 budgeted expenditures.

### 2025/26 Budget Consultation Process

In November 2024, the Board approved the 2025/26 Budget Guiding Principles to guide the budget consultation process. These principles include 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.

School Boards adopt two budgets in each fiscal year:

- A preliminary budget is adopted before the end of June for the following fiscal year based on forecasted enrolment and revenues; and,
- An amended budget is adopted before February during the fiscal year reflecting actual fall enrolment and funding.

This budget consultation will inform decisions regarding the preliminary and amended budgets for 2025/26, and also planning for future budgets. The consultation process is overseen by the Budget Advisory Committee (BAC), which provides advice to the Board of Education. The budget guiding principles and other documents outlining in greater detail the 2025/26 budget context (as outlined in this background document) have been posted to the [budget planning site](#).

### Context for Budget 2025/26

#### **Unfunded Inflationary Cost Pressures**

Funding rates in 2025/26 and historically have not been adjusted to reflect inflationary cost pressures except for wage inflation. These unfunded inflationary pressures include annual escalation in the cost of employee benefit plans, equipment, utilities, supplies and services. In BC, the K-12 funding formula is disproportionately leveraged to enrolment change and school districts growing fast enough may be able to allocate “net funding” from enrolment growth (in excess of enrolment based program cost growth) to fund inflationary costs. This means the funding model effectively penalizes school districts that are not growing or are not growing fast enough.

In recent years additional provincial funding has been targeted for a number of new initiatives (including meal programs, early years programs, parent affordability programs, etc.); however, as this funding is targeted it cannot be used to address unfunded inflationary pressures impacting core K-12 programs. This issue has been compounded in recent years by slowing enrolment growth in Saanich and greater

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than historical annual inflation. This issue of unfunded inflationary cost pressure has been and continues to be a key advocacy focus for the Board of Education.

Projected additional inflationary pressure in the 2025/26 Operating Budget (relative to the 2024/25 budget) is approximately \$1.5 million. The key components driving this inflationary pressure are outlined in the table below:

Net funding increase	(29,702)
Interest revenue decrease (lower rates forecasted)	284,917
Medical/Dental plan premium escalation	480,610
Canada Pension Plan (CPP) enhancement	177,246
Other Employee Benefit Plan premium increases	47,656
Technology Plan inflation	250,000
Other unavoidable service and supply inflation	328,964
<b>Total Additional Inflationary Pressure</b>	<b>1,539,691</b>

While additional inflationary pressure in 2025/26 could be less than what is forecasted, the district does not have the financial flexibility to absorb any additional cost pressure. If the Board were to increase the allocation of accumulated surplus (i.e. one-time reserve balance) to fund this additional inflationary pressure in 2025/26, these reserve balances would likely be fully depleted within two fiscal years (by the end of fiscal year 2026/27).

While the quantum of necessary budget reductions may differ from what is forecasted and the Board has some flexibility regarding the timing of reductions, it is clear that significant reductions to program budgets will be necessary.

### Strategic Budget Priorities

The Saanich Board of Education's [Strategic Plan](#) focuses on the following four priority areas:

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

Implementation of these priorities is driving change to operational plans and the deployment of existing resources. This includes the deployment of district and teacher leadership capacity, curriculum and professional development, and the deployment of instructional program resources. In February 2025, the Budget Advisory Committee reviewed how the budget has aligned to support strategic priorities (see section 5 of the February 2025 Budget Facts Package included in the February 2025 Budget Advisory Meeting Package posted on the [budget planning site](#)).

In February 2025, the Budget Advisory Committee also reviewed the [2025 Risk Report](#) outlining assessments of key operational risks and the existing and planned mitigations to reduce risk.

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Given the significant inflationary costs facing the school district in 2026/27, increases to program budgets are likely not possible at this time. However, your feedback on how the budget should support strategic priorities will inform how existing resources are being deployed, and will inform future budget decisions.

### Options for Balancing Budget 2025/26

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 last spring the following options were presented where budget reductions were possible:

- Instructional staff in excess of contract and legislative requirements (Note that contractual class size and composition requirements limits the Board’s discretion over a significant portion of the operating budget).
- 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 suggested 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, Strong Start, and Crossing Guards.
- Technology – overall most respondents supported fully funding the technology plan.
- Reduce administration

After considering consultation feedback, the district will identify budget reductions to be implemented in 2025/26 and further reductions to be implemented in fiscal 2026/27 following further analysis and consultation.

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### Next Steps in Budget Process

The Board of Education is seeking your input in the development of Budget 2025/26, through completion of a survey and participation in an in-person Community Budget Meeting on Wednesday, April 16, 2025 at 7:00pm at Bayside Middle School.

More information on the budget consultation process, including detailed documents supporting 2025/26 budget planning, are available on the district's [budget planning site](#). If you have questions about the budget consultation process, please contact the Office of the Secretary Treasurer at 250-652-7332.