

2023/24
Preliminary Budget
With Three Year Financial Plan

May 2023

School District 28 rests on the traditional lands of the Lhtako Dene.



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1.0 DISTRICT OVERVIEW

School District No. 28 (Quesnel) (the District) services the learning needs of over 3,000 students in the City of Quesnel. The District provides K-12 educational services in 10 elementary schools, one middle school, one alternate school and one secondary school.

All decisions made by the Quesnel Board of Education (the Board) are guided by our vision, mission and core values as determined through deep consultation with our stakeholders and community. The District's initiatives and resources are all aligned to our strategic plan, which is grounded in our foundation to support our commitment in creating a place where students love to learn by enabling each student to learn in a safe, engaging, and inclusive environment.

The District operates under the authority of the School Act of British Columbia (the School Act) as a corporation and receives over 98% of revenue from the B.C. provincial government through the Ministry of Education and Childcare (the Ministry). Any changes to provincial grants will consequently have a significant impact on the District's budget. The District is exempt from federal and provincial corporate income taxes.

OPERATING FUND: The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation.

SPECIAL PURPOSE FUND: The special purpose fund is comprised of separate funds established to track revenue and expenditures received from the Ministry and other sources that have restrictions on how they may be spent.

CAPITAL FUND: The capital fund includes capital expenditures related to facilities and equipment that are funded by Ministry capital grants, operating funds, and special purpose funds. An annual deficit in the capital fund that is a result of amortization expense and budgeted capital assets purchased from operating and special purpose funds exceeding the amortization of deferred capital revenue plus budgeted local capital revenue is permitted under the Accounting Practices Order of the Ministry.

In accordance with the School Act, school districts in the province must approve a balanced budget for the upcoming fiscal year and submit it to the Ministry by June 30. As required by the Ministry and Public Sector Accounting Standards (PSAB), the District tracks and reports revenue and expenditures under three separate funds: the operating fund, the special purpose fund, and the capital fund.

STRATEGIC PLAN - Alignment

In 2022, the Board approved its 4-year strategic plan which defines the priority directions of the Board based on extensive consultation and collaboration with partners within our system and from outside our system. The Strategic Plan reminds us of our primary responsibility; student success. With student success at the center, the Board has set priority areas of:



Using these key indicators to contemplate each budget request and each recommendation made this budget aligns with the direction of the Board and provides what we believe to be fiscally responsible and targeted on resources that will have the greatest impact on student success.



2.0 BUDGET PROCESS AND CONSULTATION

We strive to ensure that budget input and resource allocations are connected to and aligned with our strategic plan – this model is an integral part of the District’s operating culture. All budget decisions made by the District are guided by our vision and values and specifically guided by the following principles:

ALIGNMENT TO OUR STRATEGIC PLAN

priorities implemented must be aligned with the District’s strategic directions;

FISCALLY RESPONSIBLE

proposed changes reflect prudent spending and balance new priorities with identified efficiencies;

MAXIMIZE RETURNS

priorities implemented must balance results and investments to maximize returns on student learning outcomes;

FUTURE ORIENTED

proposed change are thoughtful and stand the test of time rather than being reactionary in nature.

In order to achieve these principles, we remain committed to the following as part of our budget process:

- providing timely and accurate budget information;
- receiving budget input and feedback;
- prioritizing budget requests for the upcoming budget year;
- allocating available resources to best meet requests that align with the vision, goals and objectives; and
- communicating the outcomes effectively for transparent

The consultation process has been a two-way dialogue between the Board and its stakeholders to define priorities for the future. It has allowed for valuable input into the District’s direction and decision making. The table below provides the budget process for the 2023/24 year and the various opportunities for stakeholder engagement:



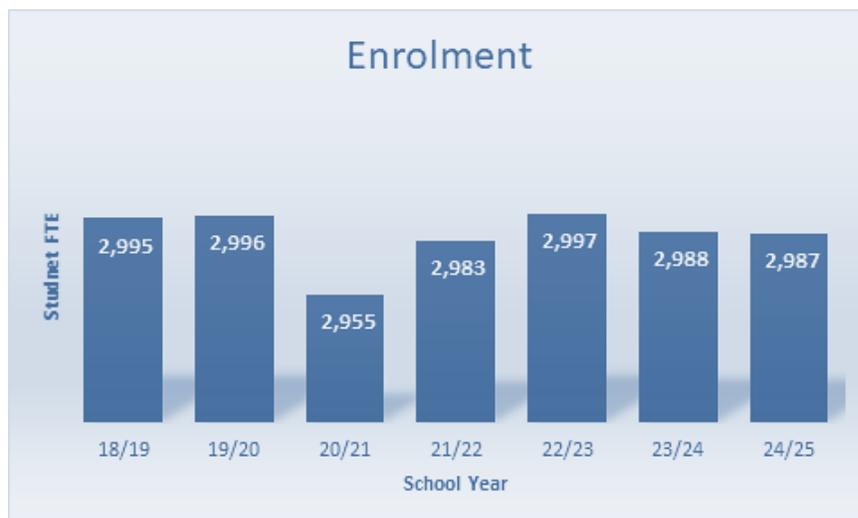
| | |
|--------------------|--|
| February 15, 2023 | Submission of three-year enrolment to Ministry of Education |
| February 15, 2023 | Approval of the 2022/23 amended budget |
| March 17, 2023 | Ministry of Education Funding announcement for 2023/24 |
| April 5, 2023 | Initial Budget review with District managers |
| April 11, 2023 | District Leadership Team - Base Budget review and Request for Consideration |
| April 19, 2023 | Aboriginal Education Council - Base Budget review and Request for Consideration |
| April 19, 2023 | In-Camera Board Meeting - Base Budget review and Request for Consideration |
| April 24, 2023 | Public and Partner Group – Base Budget review and Requests for Consideration |
| April 26, 2023 | Final Budget review with District managers |
| May 3 and 10, 2023 | In-Camera Superintendent Budget recommendations for 2023/24 |
| May 17, 2023 | Complete 1 st , 2 nd and 3 rd and final reading of budget bylaw |

There were multiple avenues to interact and share feedback in advance of the Board’s decision on the preliminary budget passed in mid-May.

3.0 STUDENT ENROLMENT

The District is funded primarily through an operating grant received from the Ministry. The operating grant is based on student enrolment which is compiled through a data collection process in September, February, May and July. The District receives a fixed amount per full-time equivalent student (FTE). The District also receives supplementary grants for students who are identified as having unique needs and for other demographic and geographical factors.

The District has had stable enrolment over the past several years with the exception of 2020/2021 which was impacted by the global pandemic. The enrolment information presented below is based on actual full-year enrolment (regular, alternate, distributed learning, and non-graduated adult learners) for 2018/19, 2019/20, 2020/21, 2021/22, actual enrolment for September and February and estimated for May for 2022/23 and forecasted enrolment for 2023/24 to 2024/25.



4.0 OPERATING FUND BUDGET

The base budget over the next three years is estimated to be in a surplus . For the 2023/24 school year, the surplus is \$165,150, followed by \$149,150 and \$149,150 in the 2024/25 and 2025/26 school years, respectively. The base budget makes the following assumptions/adjustments:

- Collective agreement wage increases (and related funding) in 2024/25 and no increases in 2025/26 as bargaining will need to occur;
- Reversal of one-time savings and surplus asks from the previous year;

The three-year financial plan for the operating budget is included in section 4.5.

4.1 Operating Fund Revenue

Provincial grants anticipated from government sources represent approximately 99% of the District's revenue sources for 2023/24. The remaining revenue is comprised of sources such as facility rentals, interest revenue and miscellaneous income.

The operating grants increased by \$2.1 million, the majority of this increase was due to wage increases per collective agreement changes with the Quesnel and District Teachers Association and CUPE 4990.



4.2 Operating Fund Expense

The most significant portion of the District’s expenses is salaries and benefits, which comprises 90% of the District’s operating budget. The remaining 10% goes to services, supplies and capital asset purchases. In the 2023/24 school year, **SALARIES AND BENEFITS ARE ESTIMATED TO INCREASE BY \$2.5 MILLION** due to salary increments and related benefits.

In 2023/24, services and supply budgets have been increased to reflect costs increases for contracted services and supplies.

| (in thousands) | 21/22 Actual | 22/23 Amended Budget | 23/24 Preliminary Budget |
|------------------------------------|---------------|----------------------|--------------------------|
| Wages | | | |
| Teachers | 15,109 | 15,654 | 16,776 |
| Support Staff | 4,182 | 4,540 | 4,870 |
| Educational Assistants | 2,670 | 3,076 | 3,529 |
| Principals and Vice Principals | 2,648 | 2,939 | 2,716 |
| Substitutes | 1,511 | 1,479 | 1,567 |
| Other Professionals | 1,041 | 1,136 | 1,222 |
| Benefits | | | |
| Employee Benefits | 6,079 | 6,267 | 6,896 |
| Total Salaries and Benefits | 33,240 | 35,091 | 37,576 |

| Full Time Equivalent (FTE) | Actual Budget | |
|----------------------------|---------------|--------------|
| | 22/23 | 23/24 |
| Principals | 20.0 | 20.0 |
| Teachers | 198.6 | 200.5 |
| Education Assistants | 122.6 | 121.7 |
| Exempt | 12.0 | 12.0 |
| Trustees | 7.0 | 7.0 |
| Total FTE | 442.6 | 441.7 |

Projections for 2024/25 and 2025/26 assume there will be some increase in known cost areas.

4.3 Priorities Support in 2023/24 School Year

| Operating Fund | Ongoing (\$) | One Time (\$) | Total (\$) |
|--|---------------------|----------------------|-------------------|
| Equity & Engagement | | | |
| Numeracy and Elementary Curriculum teacher (1.0) | 111,500 | | 111,500 |
| Intentional Innovation | | | |
| Permanent Vice-Principals (2.0 FTE) | 222,200 | | 222,200 |
| Increase Bouchie Lake Principal Admin (0.1 FTE) | 11,200 | | 11,200 |
| CSS Indigenous Support Teacher (1.0 FTE) | | 111,500 | 111,500 |
| CSS Indigenous Career Prep (2 blocks) | | 31,900 | 31,900 |
| Exempt Compensation | 94,400 | | 94,400 |
| Supportive Spaces | | | |
| District Itinerant Resource Teacher (1.0 FTE) | | 111,500 | 111,500 |
| LA Teacher (1.0 FTE) | | 111,500 | 111,500 |
| Mental Health Lead (0.4 FTE) | | 44,600 | 44,600 |
| SOGI Lead (0.2 FTE) | | 22,300 | 22,300 |
| Nazko Youth Care Worker | | 52,200 | 52,200 |
| Cultural Collaboration | | | |
| CSS/QJS Indigenous Support (4 blocks) | | 63,800 | 63,800 |
| Indigenous Language Teacher (0.2 FTE) | | 22,300 | 22,300 |
| Total Operating Requests | 439,300 | 571,600 | 1,010,900 |

The District is committed to prioritizing spending on the classroom. It is the responsibility of the Board to ensure all facilities provide for safe, successful learning environments and this requires significant investment; however, the District prioritizes spending on educational staffing and resources.

Equity and Engagement

Extensive consultation and review of the District's FESL data are consistent in demonstrating a need to remain focused on supporting literacy development, specifically in primary years. The District is highlighting a need to develop strong numeracy foundations in elementary years which have not been a primary focus for the district in recent history. The Numeracy/Literacy support teacher position is intended to support the development of strong Tier 1 instructional practice in elementary years.

Intentional Innovation

As complexity of schools has increased, the role of the principal has favoured managerial tasks resulting in a reduced focus on instructional leadership. Tireless recruitment efforts have resulted in a significant influx of new teachers and support staff who require consistent mentorship and support to build their capacity. The District believes that supporting new staff should occur through support teachers but also through supportive conversations with the school principal. To this end the District is supporting increased principal time at Bouchie Lake Elementary and the permanent addition of Vice Principals at Ecole Red Bluff Lhtako and Voyageur Elementary.

The District is committed to SOGI inclusivity and strong mental health and well-being for our students and staff. Additional staffing has been added in this budget to intentionally move this work forward in the development of the District's Mental Health Framework, building a community to wellness for all staff and students.

Supportive Spaces

The District continues to see significant increases in student needs as represented on the District's 1701 report but also in vulnerability. The District has always been proud to maintain exceptionally high ratios of Learning Assistance and Recourse Teachers allowing for both indirect and direct service to students. The District's ability to support rich direct service has reduced; however, the District is working to maintain this priority with the addition of Resource and Learning Assistance teachers.

Cultural Collaboration

Equitable outcomes for Indigenous students are a key priority for the District. Indigenous students access district-wide supports and services as well as additional supports recommended from a collaborative Aboriginal Education Council. Council recommended specific supports identified in the District's "How are we Doing Report?" As seen in the report, Indigenous students are seeing equitable outcomes until completion in grade 12. The addition of an Indigenous Support teacher, who will serve as a graduation coach, as well as Indigenous focused Career Prep blocks are added to address this intentionally by providing vision casting and links to postsecondary opportunities for Indigenous students. Supporting the continuous learning of language is a key priority in the 4-year strategic plan. The recently Ministry approved, Dakelh language curriculum will form the basis of K-12 instruction for the District and will be led by this inclusion of a language teacher highlighted in this budget.

4.4 Contingency Reserve

The Board is responsible to protect the District from extraordinary financial items which would negatively disrupt District operations and the continuity of learning for students. To mitigate these risk areas, the Board maintains a contingency reserve from its available operating surplus.

Per Board Policy 603, the contingency reserve can be up to 3.5% of operating expenses. The District's level of contingency reserve for planning purposes is \$1 million. It is anticipated by the end of the 2022/23 school year that the operating reserves will be \$1.5 million. The differential between the expected ending reserve balance of \$1.5 million and the \$1 million contingency reserve represents amounts available to support planning for operations spanning future school years, anticipated unusual expenses identified by the board and/or for expenses which must be reserved due to the nature of constraints on the funds.



4.5 Operating Budget Three-Year Plan

Below is a three-year projection of the operating fund revenue and expenses by object. This projection is based on factors that are known to the District at the time and contain assumptions that the District will maintain current service levels and programs. Assumptions made in building the three-year plan are included in the respective areas of Section 4.0 and also include the following:

- Projected changes to revenue and staffing due to changes in enrolment;
- Estimated changes to employee salaries and benefits;
- Estimated changes to services, supplies and utilities due to inflation; and
- Adjustments for one-time revenue or expenditures included in the prior year budget accountability.

After factoring efficiencies and priorities into the base budget, the District is estimating that a funding shortfall of \$845,750 will have to be addressed in 2023/24. This is estimated to be followed by budget funding shortfalls of approximately \$290,150 for 2024/25, and \$290,150 for 2025/26.

| In thousands | 2020-21 Actual | 2021/22 Actual | 2022/23 Amended Budget | 2023/24 Preliminary Budget | 2024/25 Projection | 2025/26 Projection |
|---|-------------------|-------------------|------------------------------|----------------------------------|-----------------------|-----------------------|
| Provincial Grants - ECC | | | | | | |
| Operating Grant, Ministry of Education | 34,344 | 35,584 | 38,029 | 40,174 | 41,262 | 41,262 |
| Other Ministry of Education Grants | 1,667 | 719 | 717 | 1,169 | 738 | 738 |
| Other Revenue | | | | | | |
| Rentals and Leases | 170 | 191 | 191 | 193 | 197 | 197 |
| Investment Income | 42 | 36 | 200 | 200 | 200 | 200 |
| Miscellaneous | 42 | 44 | 65 | 30 | 30 | 30 |
| Total Operating Revenue | 36,265 | 36,574 | 39,202 | 41,766 | 42,427 | 42,427 |
| Operating Expenses | | | | | | |
| Salaries and Benefits | 32,699 | 33,240 | 35,091 | 37,576 | 38,233 | 38,233 |
| Services and Supplies | 3,136 | 3,361 | 4,159 | 4,024 | 4,045 | 4,045 |
| Total Operating Expenses | 35,835 | 36,601 | 39,250 | 41,600 | 42,278 | 42,278 |
| Capital Purchases and Other | -240 | -176 | -410 | | | |
| Surplus (Deficit), for the year | 190 | (203) | (458) | 166 | 149 | 149 |
| Requests | | | | | | |
| Ongoing Priorities | | | | -439 | -439 | -439 |
| One-Time Priorities | | | | -572 | | |
| Use of Prior Year Appropriated Surplus to balance budget | 0 | 203 | 458 | 845 | 290 | 290 |
| Total Operating Surplus (Deficit), for the year | 190 | - | - | - | - | - |
| Operating Surplus (Deficit), beginning of the year | | | | | | |
| Operating Surplus (Deficit), beginning of the year | 2,065 | 2,255 | 2,052 | 1,594 | 915 | 625 |
| Use of Prior Year Appropriated Surplus to balance budget | 0 | -203 | -458 | -845 | -290 | -290 |
| Operating Surplus (Deficit), end of the year | 2,255 | 2,052 | 1,594 | 915 | 625 | 335 |

5.0 Special Purpose Fund

The special purpose fund is comprised of separate funds established to track revenue and expenditures received from the Ministry and other sources that have restrictions on how they may be spent and are therefore not available for expenditures in the operating fund. Amounts are deferred when received and recognized as revenue when the related expenditures are incurred.

The District has the following special purpose funds:

- Classroom Enhancement Fund (CEF)
- Community LINK
- Learning Improvement Fund (LIF)
- Annual Facility Grant
- First Nation Student Transportation
- Strong Start
- Ready, Set, Learn
- Official Languages in Education French Programs (OLEP)
- School Food Programs
- Early Care & Learning (ECL)
- Apprentice Program
- Breakfast Clubs of Canada
- Scholarships and Bursaries
- School Generated Funds

The following represents a few highlights of the work that is funded from these special programs:

Classroom Enhancement Fund

This funding relates to the ratification of the Memorandum of Agreement pursuant to the Letter of Understanding No.17, to the 2013-2019 BCPSEA-BCTF Provincial Collective Agreement that resolves all matters related to the implementation of the Supreme Court of Canada decision from the fall of 2016. This fund was established to address the additional teacher and corresponding overhead costs throughout the province associated with the memorandum. For 2023/24, the District has been provided a preliminary CEF allocation of \$2,082,174 to fund 17.144 FTE teachers and \$234,701 in overhead funding. Adjustments to the District's allocations may be made once the final fall 2023 staffing is known.

Community LINK

This funding is designed to support the academic achievement and social functioning of vulnerable students. Total funding for 2023/24 will be \$552,327 and is projected to remain unchanged for future years. For the upcoming year, the District continues its work to support students through the provision of meal subsidies, expending over \$110,000 in subsidies to ensure all students have access to stigma-free lunches. The largest expense within this special purpose fund is \$442,300 in social-emotional supports for vulnerable learners through 10 Youth Care Workers.

Learning Improvement Fund

This fund was established by the Province for the purpose of providing additional resources, specifically targeted to support complex classes that present challenging learning conditions. The 2023/24 funding of \$152,064 is used for increased hours of work for EAs and Youth Care Workers as has consistently been done over the past number of years. As the LIF has not increased in line with the increases to collective agreement wage increase, this special purpose fund continues to face pressure, whereby in order to continue to support the additional time for our staff, the District supplements amounts of approximately \$7,200 in its operating fund.

School Food Programs

This is a new fund for 2023/24 school year which relates to addressing the immediate need of feeding students and help reduce the challenges of rising food cost for families who need it most. For the 2023/24 year the District's allocation is \$420,850.

| Special Purpose Fund – Priority Requests | Ongoing (\$) | One Time (\$) | Total (\$) |
|---|--------------|---------------|------------|
| Community Links | | | |
| Elementary Education Assistants (3.0 FTE) | | 119,600 | 119,600 |
| Breakfast Club Coordinators (0.2143 FTE) | 7,300 | | 7,300 |
| School Food Programs | | | |
| Increase to Strong Start Food Budgets | 5,000 | | 5,000 |
| Annual Facility Grant | | | |
| Transportation Hoist Repair | | 20,000 | 20,000 |
| Included in 23/24 Budget | 12,300 | 139,600 | 151,900 |

| In thousands | 2020-21 Actual | 2021/22 Actual | 2022/23 Amended Budget | 2023/24 Preliminary Budget | 2024/25 Projection | 2025/26 Projection |
|---------------------------------|-------------------|-------------------|------------------------------|----------------------------------|-----------------------|-----------------------|
| Provincial Grants - ECC | 4,454 | 3,697 | 4,104 | 3,699 | 3,699 | 3,524 |
| Other Revenue | 327 | 367 | 306 | 69 | 40 | 40 |
| Total Operating Revenue | 4,781 | 4,064 | 4,410 | 3,768 | 3,739 | 3,564 |
| Salaries and Benefits | 3,581 | 2,955 | 3,211 | 3,521 | 3,504 | 3,332 |
| Services and Supplies | 786 | 677 | 1,174 | 247 | 235 | 232 |
| Total Operating Expenses | 4,367 | 3,632 | 4,385 | 3,768 | 3,739 | 3,564 |
| Deferred Revenue | 414 | 432 | 25 | - | - | - |

6.0 CAPITAL FUND

The capital fund includes capital expenditures related to facilities (purchases and enhancements) and equipment that are funded by the Ministry capital grants, land capital, local capital, operating funds and special purpose funds. On an annual basis, the District prepares a Five-Year Capital Plan and submits it for funding consideration to the Ministry. The plan identifies capital funding needs for existing and new facilities.

The following are current capital projects supported by the provincial government.

Carson Elementary School

The ministry has supported the District in proceeding with a business case and submitting a final Project Development Report (PDR) with Ministry for funding approval.

Other Capital Funded Projects

Annual facilities grant funds are used throughout the District to address ongoing maintenance and improvement needs at schools. Planned spending for the capital component in 2023/24 is \$942,147.

Additional funding for capital projects in 2023/24 is detailed below.

| Facility Name | Project Description | Bylaw Funding |
|--------------------------------|--|---------------|
| Correliou Secondary | School Enhancement Program - Interior Construction Upgrades (Gymnasium change-rooms) | \$1,409,000 |
| Barlow Creek Elementary | Carbon Neutral Capital Program – Electrical Upgrades | \$165,000 |
| Nazko Valley Elementary | Carbon Neutral Capital Program – Electrical Upgrades | \$165,000 |

