



Staff Report to the Board of Education

March 11, 2026, Regular Board Meeting

2026/27 BUDGET UPDATE

Adrian Johnson, Secretary Treasurer

BACKGROUND

The Superintendent will present draft budget recommendations to the Board at the April 1, 2026, Committee of the Whole meeting. The Superintendent will carefully consider feedback from community, partners, the Rightsholder, students and staff as aligned with the strategic plan.

The Board will consider those recommendations and then staff will seek first and second reading of the Budget Bylaw at the April 15, 2026, Regular Board Meeting.

INFORMATION GATHERED TO DATE

The [Budget Process 2026-27](#) page on the SD22 website provides a chronology of engagements as information has been gathered from community, partners the Rightsholder and students to date. The [February 18, 2026, Staff Report](#) to the Board of Education summarizes much of the information received.

In addition, the Superintendent has consulted directly with educational leaders across SD22, including Principals and Vice Principals. Key concerns raised are:

- Resources to address inclusion challenges at schools, including education assistants and SBRTs.
- VP time at large schools. SD22 has two schools with more than 1,000 students and only two administrators assigned. Staff at the schools have raised concerns to the Superintendent about the high student to PVP ratio making it challenging for PVPs to address all emerging matters as they arise. Corroborating those concerns, staff found that all thirteen secondary schools in the province with more than 925 students and less than 1,000 students have three administrators. Vernon Secondary School (1,104 students) and W.L. Seaton Secondary School (1,065 students) currently have two.
- Equitable allocation of school service and supply budgets, considering cost pressures associated with vulnerable school populations.
- Continuation of funds used to address affordability challenges experienced by families. SD22 currently uses grants received from benevolent community members for this purpose.

ANTICIPATED BUDGET CHANGES FOR 2026/27

FUNDING CHANGES

Forecasts are that enrolment will decline and student demographics will remain as they currently are, resulting in the following operating grant changes.

Operating grant changes	Amount \$	Commentary
Reduction in enrollment-based funding	-541,000	Current forecasts are that SD22 will have sixty fewer students next year.
Increase in designation (inclusion) funding (more revenue)	817,000	SD22 will receive \$817,000 more in funding next year should SD22 have the same number of designated students as are currently enrolled.
Forecast increase in operating grant	276,000	

Staff expect receiving more Classroom Enhancement funding. It is not yet known how much of this funding the Provincial Government will allocate to SD22. It is possible that this added funding will be sufficient to offset the cost pressures shown below.

COST PRESSURES

The following table lists the potential increases in costs to keep current staffing, services and supplies going into next year.

Cost pressure	Forecast amount \$	Commentary
Deficit in unrestricted funds from 2025/26 amended budget	368,000	The current year budget has expenditures greater than revenues. This cost pressure will continue into next year unless the Board makes changes to the budget.
Inflation	284,000	Assumes 2% inflation on services and supplies
Non-unionized wage increases	375,000	The Provincial Government has yet to commit to funding wage increases for non-unionized staff next school year. This assumes a 3% wage increase for non-unionized staff, consistent with that negotiated with the teacher's union.
Benefit costs	750,000	Estimated increase in extended health and dental premium costs for next year, based on projections from the benefit administrator. Given current trends, it is likely that actual costs will increase by less than this. However, increases in statutory benefit costs (CPP, EI, WCB) are not yet know and may potentially offset any positive variance.
Teacher grid movements	250,000	An estimate of the impact on average teacher salary based on the assumption that the average teacher will have more experience and education from this year to next.

Cost pressure	Forecast amount \$	Commentary
Interest revenue	100,000	Interest rates declined during this year, and that decline may continue. This will decrease investment income.
Calendar changes (Cost reduction)	-357,000	There will be four fewer days of instruction next year, resulting in a reduction in staff costs. This is a one-year only cost reduction.
Forecast total cost pressures	\$1,770,000	

In addition, staff expect a cost saving driven by a reduction in enrolment. Fewer students mean schools need fewer divisions or blocks, while supporting a consistent class size.