Staff Report to the Board Education

April 15, 2026

SUPERINTENDENT’S BUDGET RECOMMENDATIONS

Karla Mitchell, Superintendent and Adrian Johnson, Secretary Treasurer

BACKGROUND

The School Act requires the Board to submit a balanced budget for the 2026/27 school year to the Ministry of Education and Child Care (MECC) before June 30, 2026. The submitted budget is referred to as the 2026/27 Original Budget.

The Board has heard from students, District Parent Advisory Council (DPAC), the Indigenous Education Advisory Committee (IEC), union representatives, and the Superintendent on budget priorities.

The Board reviewed a detailed analysis of the 2025/26 amended budget at the February Regular Board Meeting.

The Board considered expected funding changes and cost pressures at the April 1 Committee of the Whole Meeting. At that meeting, the Board also considered a first draft to the Superintendent’s recommended resource allocation changes (the Superintendent’s recommended budget changes).

The Budget Process 2026-2027 page on the SD22 website provides a detailed timeline for the budget development process with supporting documentation.

PUBLIC INPUT ON SUPERINTENDENT'S RECOMMENDED BUDGET CHANGES

After the Committee of the Whole meeting, staff distributed a survey seeking public input on the Superintendent's recommendations.

The form received one response, from an anonymous parent or caregiver:

> *I'd like to see more subject opportunities for students at Charles Bloom, such as earth science and sustainability, and for music classes to return to all SD22 schools. Earth sciences and geography are essential to the sustainability of our future. Music helps build community and promotes healthy hobbies for bored youth, and can also improve math and reading skills.*

Secondary schools are allocated blocks in proportion to the number of students enrolled at the school. Principals assign blocks based on student demand.

Last year, the Board received forty-one responses to an equivalent survey, of which thirty were from staff.

RECOMMENDED BUDGET CHANGES

The Superintendent recommends the following operational changes which result in a balanced budget and help further student success.

The Superintendent has revised recommendation two in the table to reflect updated enrolment forecasts. All other recommendations remain unchanged from the draft presented to the Committee of the Whole on April 1.

#	Operational Change	Budget impact	Resources
1	Add supports with a goal of closing the achievement gap between students with diverse needs and all other students. Feedback received from CUPE, VTA, DPAC and leadership staff also recommends more resources in this area as a priority.	$ 817,000	Add more non-enrolling staff focussed on direct supports for students with diverse needs, including SBRTs and Education Assistants.
2	Maintain class sizes for elementary students, keeping close to provincial averages. Maintain a contingency allocation of elementary classroom teacher staffing to ensure compliant class sizes and configurations. Allocated more inclusion supports in September if contingency is not required.	- $ 600,000	Net reduction of four to six elementary divisions. Potential addition of more staff to provide direcvt supports to students with complex needs.
3	Maintain class sizes for secondary students, keeping close to provincial averages	$ 280,000	Add fourteen blocks
4	Increase support for staff, students, and educational leadership at VSS and Seaton. This year, VSS and Seaton have 1,104 and 1,065 students, respectively (headcount, including international students). Each school has a Principal and a Vice Principal (PVP). Staff at the schools have raised the concern that the high student to PVP ratio makes it challenging for PVPs to address all emerging matters as they arise. To corroborate that concern, the Secretary Treasurer compared enrolment and PVP allocations at other secondary schools in the province. All thirteen secondary schools with between 926 and 1,000 students have three PVPs. Allocating more time for PVPs enables better support for students and school staff. It also enables more educational leadership time to implement strategic improvements at schools to further improve student success and close achievement gaps.	$ 180,000	Add a school-based Vice Principal position at VSS and at Seaton with 0.5 FTE non-teaching time each.

#	Operational Change	Budget impact	Resources
5	Continue to upgrade school shops (wood shops, automotive shops etc.) to ensure they have the equipment needed to meet curricular requirements within a safe environment. The facilities department completed a recent renovation of the Charles Bloom wood shop using facility department funds. The Board currently allocates $30,000 a year to local capital for this purpose, which is not all spent. Next year, there will be about $120,000 available from existing local capital funds to continue to improve curriculum resources in school shops.	$ 0	The Board can achieve this with existing resources.
6	Inflationary increases for non-discretionary items. (for example, utilities, software licensing, NOYFSS and Whitevalley service contracts). The Board last increased school supply budgets in the 2019/20 school year. Since then, inflation has increased costs by about 24%. However, discussions with PVP and a review of unspent school budget balances at the end of last school year suggests that other needs, such as inclusion, are a greater priority for increased allocation of resources. Budget feedback showed concerns about inequities in opportunity for schools with a larger population of vulnerable students. Staff are exploring ways of addressing that inequity within existing budgets.	$ 184,000	Maintain existing non-discretionary resources.
	Total impact of operational changes	**$ 861,000**	

KEY ASSUMPTIONS AND RISKS

FUNDING

The most significant risk is whether SD22 will receive additional funding for collective agreement implementation. These changes assume the Board will receive nearly $2 million. Should the funding not materialize, staff still expect to be able to have sufficient reserves and operating flexibility to avoid entering deficit. The Board would, however, be left with minimal reserves and need to make substantial budget changes for subsequent years.

It is also possible that the Board will receive more funding than assumed.

The draft budget bylaw contained in the agenda package incorporates the estimated cost of wage increases for teaching staff, and an equivalent amount of funding. The Ministry of Education and Child Care (MECC) have yet to confirm the actual funding amount.

MECC has yet to confirm whether it will fund wage increases for non-unionized staff in 2026-27. The cost pressures noted in this Board paper assume it will not, with a cost impact of $375,000.

The International program continues to do well, and on current trends will realize a profit of at least $500,000 this year. These budget changes assume no profit from the international program.

As in previous years, operating funding is dependent on enrolment. There is a risk that enrolment will be less than forecast. Management prepared the revenue forecast using a conservative approach for enrolment projection.

EXPENDITURES

Over the past few years, the Board has experienced notable variances in benefit costs, sick leave costs, and average wage assumptions. These have generally amounted to less than 1% of total operating costs. This is a small percentage; however, a 1% variance is about $1.3 million.

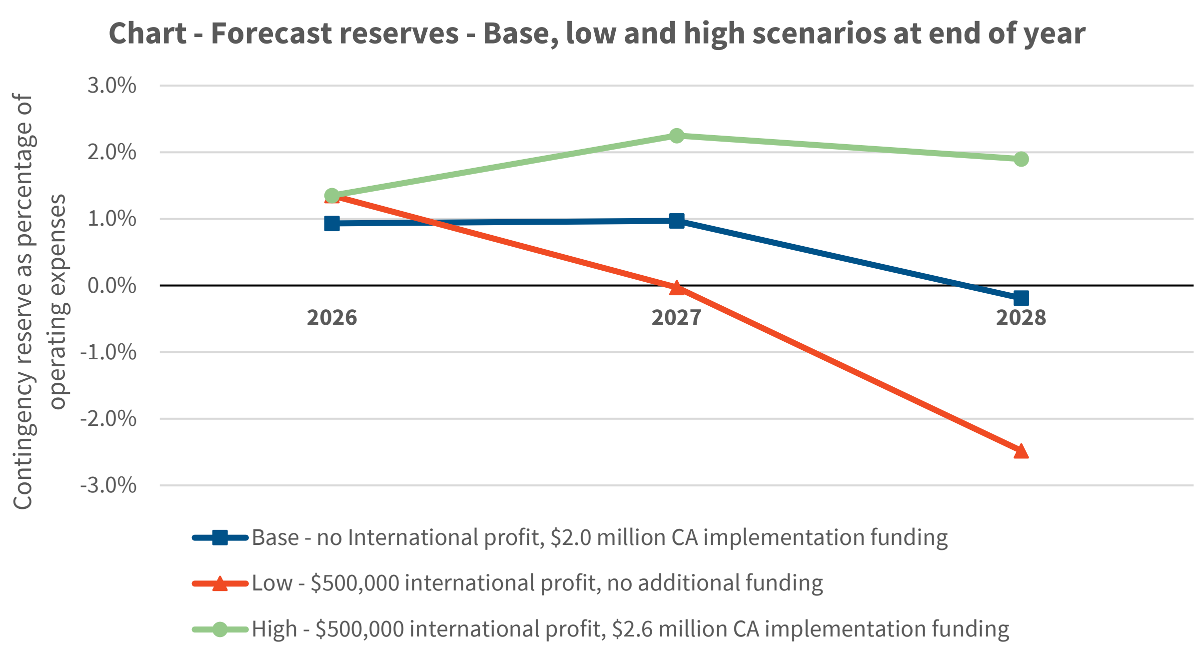
The budget changes reflect a one-time cost saving of $357,000 because of fewer instructional days next school year. The 2027-28 budget will need to reflect an equivalent cost saving to balance.

PROJECTED RESERVES

The proposed budget's reliance on unconfirmed funding creates a significant risk. The chart below plays out what could occur in the pessimistic, low case scenario of that risk materializing.

To aid in striking the right balance between pessimism and optimism, the chart also plays out a more optimistic, high case scenario.

These scenarios all assume there are no other expenditure variances.



Base case

The base case uses the assumptions reflected in these Superintendent's budget recommendations. It assumes $2.0 million of added funding associated with Collective Agreement implementation and does not allow for any profit from the international program. In this scenario, the Board's reserves remain at about 1% of operating expenses at the end of next school year.

Current projections are that enrolment will decrease by a further 100 students for the 2027/28 school year. The Board would need to find significant cost reductions for the 2027/28 budget.

Low case

The low case scenario assumes no added Collective Agreement implementation funding.

The Board will fully consume its contingency reserve next year should this unfortunate scenario materialize. This leaves the Board with a very challenging budget next year, but not a deficit.

The International Student Program is having a strong year financially and is almost fully enrolled for next year. This low case forecast does assume a $500,000 profit from the International Program this current school year and in future years.

High case

Staff expect that $2.6 million of CA implementation funding may be available. Should this be possible, and the International Student Program continues to perform as expected, the Board will achieve its goal of keeping a contingency reserve of 2% of operating expenses at the end of the 2026/27 school year, and the following year as well.